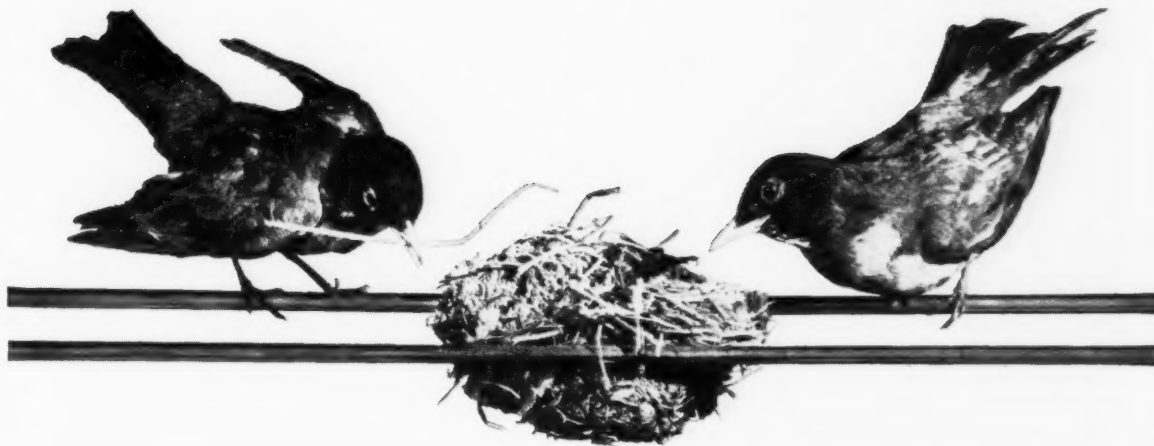


The NATIONAL UNDERWRITER



Their love nest cost \$88,000!

When the tawny robins build in Honduras, their large hollowed mounds of sticks and trash are usually located in trees. But not always.

Recently, these birds chose high voltage trunk lines — and short-circuited an entire American-owned power house in one tremendous flash!

Generators, transformers, all the above-ground equipment and the building were totally destroyed by fire.

That very day, agents for American International Underwriters started work on the claim. The plant had been built over forty years ago, and its value might be expected to have declined by at least half.

But so carefully had it been maintained that the claim of \$88,206 was allowed and paid in full!

This on-the-spot American service, typical of AIU, is especially attractive to American businessmen investing abroad. In addition, you can readily understand the American terms and language of AIU policies.

In writing coverage of foreign risks, the only information AIU requires is the same as on domestic risks. Claims are paid in the same currency as premiums — including U. S. dollars where local law allows.

What this means for agents and brokers is obvious. *Foreign protection is easy to sell.*

American private investments abroad have topped

16 billion dollars — 4 billion in the last three years alone! Some of this probably originates right in your own neighborhood, perhaps with some of your present clients.

Remember, you don't have to be an expert to handle foreign risks. Take them to AIU — and AIU is your expert. For full information and literature, write to Dept. N of the AIU office nearest you. Or call in person.



*American
International
Underwriters*

New York 5, N. Y.....	102 Maiden Lane
Boston 9, Mass.....	148 State Street
Washington 6, D. C.....	312 Barr Building
Atlanta 3, Ga.....	307 Candler Building
Detroit 26, Mich.....	Free Press Building
Chicago 4, Illinois.....	208 So. La Salle Street
New Orleans 12, La.....	831 Whitney Bank Building
Dallas 1, Texas.....	801 Corrigan Tower
Houston 2, Texas.....	1619 Melrose Building
San Francisco 4, Calif.....	206 Sansome Street
Los Angeles 17, Calif.....	612 So. Flower Street
Seattle 1, Wash.....	811-814 White Building

THURSDAY, APRIL 22, 1954



HERE'S AN IMPORTANT FACT:

The Travelers writes all forms of Life insurance!

It's important because with The Travelers you are sure to find the dependable, guaranteed cost Life Contracts you want to provide for your clients. Whether you are recommending business lines or family protection; retirement, mortgage, or educational plans, you will find something tailor-made for your use among the list of popular Travelers Life contracts.

And, it's important to know, too, that The Travelers is always ready to assist you make selling easier through a wide assortment of specialized sales tools, promotional materials, and full page national ads in leading publications.

Why not talk over The Travelers Life contracts with a Travelers Life Manager or General Agent? He is ready to help you!

The Travelers INSURANCE COMPANY

HARTFORD 15, CONNECTICUT

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State Directors of NAIA Rap Auto Plan of F.&C. of Conn.

Seattle Statement Says It Is Contrary to Agency System Principles

State national directors of National Assn. of Insurance Agents at their meeting last week at Seattle put out a statement on the plan for insuring automobiles of Fire & Casualty of Connecticut, calling it "contrary to the principles of the American Agency System."

The statement notes that National Fire is "actively encouraging and supporting the use of this plan by providing reinsurance and its general agency facilities." The agency system is violated, the statement says, because F.&C. of Connecticut embodies in its plan the elements of direct billing, a continuous policy and unilateral reduction of commissions.

"The National Assn. of Insurance Agents is firmly on record as being unalterably opposed to the concepts of this plan," the statement reads. "On Oct. 1, 1953, at Washington, D.C., the membership in convention assembled passed a resolution declaring that the public interest is best served by independent contractor insurance agents and brokers, who maintain their own offices, who bill for their own account, and who effect insurance solely with companies whose loyalty to the American Agency System is unquestioned. NAIA has also firmly placed on the formal record its unalterable opposition to continuous policies and unilateral reduction of commissions."

"The national board of state directors of NAIA again states and declares that any plan, contrary to the recorded precepts of the American Agency System and advanced and encouraged by companies which have heretofore been regarded as loyal to the American Agency System, should be immediately terminated."

State directors referred to the finance committee for review the allocation formula on which membership dues are predicated so that any existing inequities could be corrected. The practices committee suggested the constitution should be amended to make the state directors the sole policy-making body of NAIA. It also suggested that future committees have fewer members, and that the legislative committee and the trade association committee be discontinued. The latter suggestion was adopted.

Everett North reported from Montana on the operations of Saskatchewan Guarantee & Fidelity and described the suit the agents now have brought there to have the company thrown out of the state.

A suggestion that NAIA go on record in opposition to issuance of group insurance was defeated and the matter

(CONTINUED ON PAGE 29)

T. E. Wood Agency of Cincinnati Takes IAC Advertising Award

The Thomas E. Wood agency of Cincinnati was awarded the grand prize



L. C. Graham

in the Insurance Advertising Conference 1954 agency advertising competition. The work of this agency, which was presented by L. C. Graham, executive vice-president, was adjudged the best and most complete approach to the public, involving all media, in presenting fire and casualty insurance and local agency services among the 50 entries, which came from 22 states, the District of Columbia and two Canadian provinces. Entrants represented communities ranging from 1,000 population to New York City.

There were five divisions, grouped by premium volume. Division winners were: Class 1 (less than \$25,000) Raymond Denomma, Danielson, Conn.; class 2 (\$25,000 to \$50,000) Thompson Insurance Agency, Wrens, Ga.; class 3 (\$50,000 to \$100,000) Herb Velser Insurance Center, West Allis, Wis.; class 4 (\$100,000 to \$250,000) Roger Clarke, Fredericksburg, Va., and class 5 (over \$250,000) Latham-Stevens, Harrisburg, Pa.

The Wood agency belonged in class 5, but, under this year's rules, only one prize was given an entrant.

A separate class was set up for local boards, but no award was given because there were only two entrants.

Mr. Clarke's agency is the only repeater from last year, when it also

(CONTINUED ON PAGE 29)

MORE FIREWORKS

Kavanaugh Sued for \$1 Million in Pioneer Mutual Fiasco

A \$1,100,000 damage suit charging "malfeasance" in office, has been filed against Commissioner Luke J. Kavanaugh of Colorado by the agents of Pioneer Mutual Compensation of Albuquerque and a policyholder who has received an assessment notice. Also named as defendants are Melvyn C. Snyder, former Colorado deputy commissioner who resigned to go with Pioneer, and Massachusetts Bonding, which has the bond on Mr. Kavanaugh.

This is the latest bomb to be exploded in the near-chaotic situation surrounding the financial plight of Pioneer Mutual. The suit against Mr. Kavanaugh was filed by John J. Gibbons, Earl Grienz and Bruce Owenby, Denver attorneys, on behalf of Agents Group, Inc., composed of approximately 340 Pioneer Mutual agents in Colorado, and Leon Simonson, who is representing the policyholders.

It is charged that Kavanaugh and Snyder "failed to exercise the powers vested in them to stop the officers of Pioneer Mutual from deceiving the policyholders" and that they failed to take appropriate criminal or civil action to protect the public. Pioneer is now attempting to levy a \$2 million assessment to bail itself out of a situation in which it is unable to pay claims and has watched \$150,000 worth of drafts bounce.

The suit also charges:

1. Willful and unlawful failure of Kavanaugh and Snyder to perform the duties imposed upon them by law in connection with the supervision of Pioneer.

2. Failure to take suitable action against Pioneer in 1951, 1952, 1953 and

(CONTINUED ON PAGE 28)

New Home, Contents Cover; SEUA Plans Four-State Filing

Inter-Regional Has Dwelling, Contents Broad Form; SEUA to File SHO, Interbureau

Inter-Regional Insurance Conference, which is the liaison organization for the regional fire bodies, has recommended to those regional bodies and independent rating organizations nationwide the adoption of the broad form dwelling building and contents form which it has evolved. The new form was discussed by Western Underwriters Assn. at its meeting in White Sulphur last week.

In the meantime, Southeastern Underwriters Assn., at its executive committee meeting last week, voted to file the package being developed by Interbureau Insurance Advisory Group for the dwelling field in its four states, Georgia, Alabama, South Carolina and Florida. It also voted to file in the four states the special home owners coverage, familiarly known as SHO, which was developed by Fireman's Fund.

Inter-Regional Insurance Conference evolved its broad form dwelling building and contents coverage, it is understood, to appeal to the great majority of dwelling insured. It is a named peril form and appears to include the fire, extended coverage and additional EC coverages, plus. It is understood that the rate is attractive, that it consists of the fire and EC rates plus six cents. The AEC rate generally is four cents.

Southeastern Underwriters Assn. voted to file the interbureau package for all its members except those companies that affirmatively request it not to do so. It is reported that three or four companies, including Great American, Home and National of Hartford have requested SEUA not to file the policy for them.

SEUA voted also to file the SHO for all members, without EC. In Alabama SEUA must file for all members. Deviations are not permitted on forms. Consequently, Fireman's Fund asked SEUA to file in that state and SEUA voted to file it in the four states.

The Fireman's Fund SHO policy is being picked up by other companies in several states, as independent filings or as deviations. In Ohio, for example, 30 companies are using the SHO as the basis for new dwelling filings. So far, 16 such filings have been approved as deviations from bureau forms and rates, and 14 others are being processed.

New Missouri Insurer

American Transportation of Kansas City has been authorized to write business in Missouri. It will insure automobiles, motor buses and airplanes. The company may issue up to 20,000 shares of \$100 par value stock and intends to start business with \$2 million capital.

Late News Bulletins . . .

News Highlights of the Week on Page 5

Allstate Sells 1,000 Fire Policies

Sales of Allstate fire policies in Illinois exceeded company estimates and amounted to almost 1,000 contracts in the first two weeks, according to L. J. McKnight, head of fire operations. The company has applied in 15 states to write fire, and Allstate says as more states approve the filings it will step up sales promotion. The company began writing fire in Illinois on March 29 of this year.

H. Lewis Rietz Joins Houston Company

H. Lewis Rietz, president of H & A Underwriters Conference, is resigning as vice-president of Lincoln National Life and May 10 will join Great Southern Life of Houston as executive vice-president. He also will be a director and member of the executive committee.

Mr. Rietz was with Metropolitan Life for 15 years, first in actuarial work and for nine years as assistant to the executive vice-president. He went with Lincoln National in 1948 as 2nd vice-president, becoming vice-president in 1952. He is a fellow of Society of Actuaries. Besides his conference activity, he has served on several committees of American Life Convention, Life Insurance Assn. of America and the Society of Actuaries.

(ADDITIONAL LATE NEWS ON PAGE 32)

Suggestions in Examination Report for Improving NYFIRO Product, Procedures

The examination report of New York Fire Insurance Rating Org. by the New York department makes several suggestions for achieving greater uniformity in rating. The examiner, Harold Schmer, notes that the organization has adopted and printed well-arranged schedule rules manuals for upstate and New York City rating territories, and that the adoption of the revised upstate manual has eliminated to a considerable extent the non-uniformity in schedule rating practice which previously existed in upstate district offices.

However, the examination report states, a great deal of work still remains to be accomplished in developing a state-wide uniform rating system. Considerable differences still exist between New York City and the balance of the state.

A number of research studies were started by the organization but were temporarily interrupted or discontinued, the report notes. An organized unit in the central office manned by an adequate staff should be set up to carry out research functions, the report recommends.

In addition to recommendations noted in the issue of April 15, the examiner urged that NYFIRO revise the eligibility rule for broad forms clearly to indicate the class of risks for which this rule is intended, standardize all outstanding class C and O credits to provide uniform rate recognition for similar classes of community protection, consider the adoption of more uniform methods in respect to coinsurance rates upstate and suburban, complete its study on correlation of mercantile occupancy grades in the New York City mercantile class rate table, with the mercantile classes provided under the classified fire statistical plan, and provide uniform class rates and rules for upstate and suburban.

Further, adopt a program of periodic reinspection for schedule rated risks in upstate and suburban territories, resume research studies started for transferring non-class rated stores and dwellings to the non-fire resistive mercantile schedule and extend the studies to other occupancy classes, consider developing an improved rating system to eliminate sharp differences in rates for similar risks resulting principally from different sets of occupancy charges, structural changes and exposure charges under the various schedules and the problems involving multiple tenant buildings. This last could best be accomplished by developing a single schedule to produce smoother gradations of rates reflecting relative differences in hazards of occupancy and construction.

Also, consider adopting class rates for stores and dwellings and one-story stores which are schedule rated upstate, resume its study of simplification of the special hazard schedule, consider revising upstate schedules based on uniform and consistent rating methods by developing a single schedule providing for measurement of relative hazards for all grades of occupancy, construction and protection and resume its study of sprinklered schedules to develop one statewide which would provide reasonable differentials to recognize relative differences in hazards, protection and construction and without the wide ranges of judgment.

(CONTINUED ON PAGE 31)

NYFIRO Response

New York Fire Insurance Rating Org. has replied to the recommendations made in the New York department's examination report. This reply notes that recommendations made by the examiner are extensive and embrace an over-all study which will take considerable time. Also, NYFIRO does not think that the cost of its operation should be materially increased unless absolutely necessary in the interest of the general insuring public. All recommendations should be viewed in light of its effort to maintain economy in cost of operation.

As to the general recommendation that NYFIRO set up a research staff in the central office, NYFIRO states that it does have in effect statewide research facilities. It is not its purpose to duplicate or overlap the research work continuously being done by industry organizations formed primarily to conduct research studies. It will, however, cooperate in every reasonable way toward improving its research facilities.

The examiner recommended a uniform rating system for the entire state. NYFIRO does not feel this is practical or feasible at this time. Uniformity is not necessarily a desirable end in itself. Where similar circumstances and conditions prevail, uniformity would be desirable. Construction and protection conditions in New York City are materially different from those in the balance of the state. The reasonableness of the results obtained should be the criteria, and separate statistics are maintained to support the results obtained in New York City and in the balance of the state. Where conditions are the same as to construction, protection and occupancy, it has strived for uniformity in the rating structure and will continue to do so.

NYFIRO indicates that it will comply with the recommendation of making general rules uniform statewide. The rating bureau also will comply with the recommendation to apply broad forms to banks, hotels, office buildings, utilities, YMCA and YWCA, fire resistive church property and apartment houses, except public housing projects, which develop a three year blanket building and contents rate of .25 or less.

As to recommendations on community protection, NYFIRO notes that studies now are being conducted to attain a greater degree of uniformity. The grading schedule of National Board, setting forth certain standards to be applied, has been filed with the insurance department.

NYFIRO will consider a periodic program of inspection and reinspection in class C and O communities. As to re-rating such communities, NYFIRO has felt it is in the public interest, except in extremely unusual cases, to attempt to aid cooperatively in bringing about improved protection rather than to automatically increase rates where subsequent reduction may be called for upon compliance with recommendations. Where reductions are indicated, they have not been withheld.

Outstanding credits to communities

will be reviewed. Conditions in upstate and suburban territories must be taken into account. NYFIRO questions the equity or wisdom of uniformity of credits to built-up areas short distances from fire departments and to sparsely settled areas with risks located many miles from any fire department protection.

The organization also will consider the recommendation of the examiner on coinsurance and non-coinsurance rates. Attainment of complete uniformity here may be difficult. Coinsurance rates in upstate and suburban now are essentially uniform but upstate availability of optional flat rates is more prevalent. The effect of relatively high insurance to value which is brought about by coinsurance provides more complete protection and lower rates for policyholders. Any move toward uniformity would involve termination of flat rate options where they have traditionally been available for many years and would doubtless create tremendous disturbance which for the most part would be unwarranted in the light of the importance of the objective concerned.

NYFIRO will explore the recommendations on class rates. It will also comply with the recommendation for reinspection following changes in schedule rules.

It noted the examiner's opinion regarding the method of producing rates for non-sprinklered risks upstate but points out that upstate there is a greater variance between risks in these classes than there is in New York City and therefore they would not lend themselves as readily to class rates. It comments that the method of rating a small mercantile building should not necessarily be uniform with that employed in the rating of a multi-million dollar automobile manufacturing plant.

The organization will study the department's report on sprinklered schedules. It does not agree, however, that the element of judgment should be withdrawn from the provisions for rating the highly protected and complex risks involved or that the range of judgment presently employed is too wide. The evaluation of these risks requires a high degree of technical knowledge and the application of judgment to the various factors entering into the rate, not the least of which is the type of management concerned. Of what use are detailed charges and credits applied to a complicated protection system when the management does not take effective steps to maintain the system in good order? The department has recognized the necessity for applying judgment in measuring such fire risks in the filings of other insurers dealing with similar properties, and quite properly so.

NYFIRO points out that recently in adopting new manuals, there is included significant interpretive material. This has eliminated to a considerable extent the non-uniformity in schedule interpretations which previously existed. It is the rating bureau's intention and practice to publish interpretations affecting any substantial number of risks in these manuals. But it does not regard as reasonable the printing and distribution to many thousands of uninterested agents, brokers and companies each interpretation which must be made properly and consistently to handle the extremely unusual cases which arise.

NYFIRO is agreeable to reconsidering the present advisory rate filing

(CONTINUED ON PAGE 31)

Fla. Agents Issue Two More Bulletins on Auto Problems

Florida Assn. of Insurance Agents has issued the third and fourth in its series of bulletins regarding the general automobile insurance situation in that state and specific plans that call for commission reduction, continuous policies and direct billing by companies.

The bulletins point out that with the passage of the financial responsibility law in 1949, many persons bought at the first and cheapest place they could find, which often was the direct writer specializing in automobile. Direct writers were the first to ask for this business by personal solicitation or by advertising.

More of this business did not go to local agents and their companies because some of the buyers were price conscious and because at that time the local agent generally was not seeking new business. His time was taken up with business he already had. There was not always available time to sell thoroughly present and prospective insured on the value of his service and the quality of his product, his companies were retrenching or consolidating and what new business the agent did find time to sell was hard to place, and some companies and general agents promiscuously appointed unqualified local agents. If these matters were corrected, agents and their companies could produce a much different result, according to the bulletin.

The fourth bulletin goes into the question of whether reduced commissions, direct billing and continuous policies will reduce the agent's costs. The association says no. He will still have to pay salaries, the same rent, taxes, insurance, telephone and telegraph bill, and water, heat and power bills. He will continue to contribute to charitable organizations, subscribers, entertain and pay dues. His advertising and automobile expense will continue.

If the company wrote all the agent's

(CONTINUED ON PAGE 23)

W. F. Delaney Is Misquoted

In reporting last week the talk of William F. Delaney, Jr., reinsurance manager of Fairfield & Ellis of New York, THE NATIONAL UNDERWRITER unfortunately misquoted the speaker when he said: "Practically none of the casualty business which American Reinsurance Co. reinsures is retroceded abroad" to read wrongly that practically "all" of such business is retroceded abroad.

Mr. Delaney had been using American Mutual Re as an example of how companies on the Pacific Coast could set up a similar organization, and said that Joseph P. Gibson, president of Amreco had set an excellent example for the stock companies to follow. Mr. Delaney's plan was to have the stock companies follow the system of American Mutual Re of retroceding its business among the members and not retroceding it abroad.



W. F. Delaney, Jr.

Show Leading Insurance Groups in Total Premiums

Presented herewith are the leading insurance groups in the United States from the standpoint of total premiums written as compiled by the Argus Chart department of The National Underwriter Co. The ranking shows the standings of the groups in 1952 and in 1953, with premiums exclusive of life business.

1952 Rank	1953 Rank	Group	Total Premiums Written
1.	1.	Travelers	507,602,058
2.	2.	Aetna Life Group	383,462,678
3.	3.	Hartford Fire	336,113,802
4.	4.	America Fore	291,234,588
5.	5.	Liberty Mutual	260,702,074
6.	6.	Ins. Co. of N. A.	238,510,626
7.	7.	Home	221,834,357
8.	8.	Royal-Liverpool	211,126,939
9.	9.	State Farm	188,931,268
10.	10.	U. S. F. & G.	187,766,430
11.	11.	General Motors	186,349,278
12.	12.	Fireman's Fund	181,304,345
13.	13.	Allstate	173,613,398
14.	14.	Continental Casualty	171,064,827
15.	15.	James S. Kemper	162,377,675
16.	16.	Loyalty	155,509,680
17.	17.	Mutual Benefit	133,004,159
18.	18.	Aetna Fire	127,761,742
19.	19.	Farm Bureau, Ohio	127,181,942
20.	20.	Great American	120,939,889
21.	21.	St. Paul F. & M.	106,933,190
22.	22.	Trans-America	100,514,340
23.	23.	Employers Mutual	95,924,213
24.	24.	Employers	94,259,311
25.	25.	Crum & Forster	88,853,443
26.	26.	General America	84,038,169
27.	27.	American Mutual	83,190,719
28.	28.	American, N. J.	77,999,706
29.	29.	American-Associated	76,771,681
30.	30.	General Accident	75,998,632
31.	31.	Phoenix-Connecticut	75,636,476
32.	32.	Glens Falls	72,711,318
33.	33.	Hardware Mutual, Wis.	72,552,663
34.	34.	National of Hartford	72,426,805
35.	35.	Service Companies	68,565,736
36.	36.	Zurich	67,968,652
37.	37.	Chubb & Son	61,784,284
38.	38.	Standard Accident	58,386,641
39.	39.	Coml. Union-Ocean	57,811,377
40.	40.	Swiss Reinsurance	57,428,479
41.	41.	Springfield F. & M.	53,368,818
42.	42.	Ohio Casualty	49,713,600
43.	43.	Phoenix of London	48,343,481
44.	44.	Coml. Credit Group	48,325,959
45.	45.	Boston	43,379,840
46.	46.	Mich. Mut. Liab.	41,721,670
47.	47.	Northwestern Mutual	40,633,035
48.	48.	American Surety	39,385,735
49.	49.	Fire Association	37,901,734
50.	50.	Employers, Dallas	36,894,766
51.	51.	North British	35,761,486
52.	52.	General Reins. Corp.	34,741,303
53.	53.	National Union	34,730,735
54.	54.	American Fidelity	32,117,170
55.	55.	London & Lanc.	31,798,200
56.	56.	American Casualty	31,605,767
57.	57.	Utica Mutual	31,032,717
58.	58.	Corroon & Reynolds	30,635,482
59.	59.	New Hampshire	29,180,566
60.	60.	Western, Kansas	29,147,571
61.	61.	American Reinsurance	27,261,107
62.	62.	Emmco	27,045,451
63.	63.	Providence Washington	25,894,053
64.	64.	Atlantic	25,861,674
65.	65.	Hanover	25,723,486
66.	66.	Ohio Farmers	25,076,784
67.	67.	Meserole Group	24,650,795
68.	68.	New Jersey Mfrs.	24,532,819
69.	69.	Security, Conn.	24,086,398
70.	70.	Hdwe. Mutual, Minn.	23,652,552
71.	71.	Northern of N. Y.	22,911,136
72.	72.	Northwestern National	22,163,699
73.	73.	Hawkeye-Industrial	22,066,991
74.	74.	Pearl American	22,059,148
75.	75.	Merchants, N. Y.	21,894,240
76.	76.	Bituminous	21,311,540
77.	77.	Buckeye Union	21,075,978
78.	78.	Agricultural	19,235,130
79.	79.	Pennsylvania Mfrs.	18,902,741
80.	80.	Indiana Lumbermens	18,158,134
81.	81.	Gulf, Texas	17,274,060
82.	82.	Houston F. & C.	15,880,362
83.	83.	Trinity Universal	15,772,637
84.	84.	Factory Mutual Liab.	15,205,424
85.	85.	Sun of London	15,180,401
86.	86.	Globe & Rutgers	14,929,647
87.	87.	National Grange	14,329,169
88.	88.	Harleysville	13,341,914
89.	89.	Royal Exchange	12,964,708
90.	90.	London	12,330,900
91.	91.	Republic	12,239,663
92.	92.	Yorkshire	11,381,378
93.	93.	Northern, Eng.	11,214,210
94.	94.	Central Surety	11,174,896
95.	95.	Scottish Union	10,550,711
96.	96.	Anchor	10,491,433
97.	97.	J. A. Munro	10,101,407
98.	98.	Atlas Group	9,466,503
99.	99.	Coml. Standard	9,231,494
100.	100.	Fester, Fothergill & Hartung	8,450,000
101.	101.	Reinsurance Group	8,122,436
102.	102.	American Indemnity	7,710,752
103.	103.	Millers National	7,573,914
104.	104.	Calif. Compensation	7,514,385
105.	105.	St. Louis	7,454,694
106.	106.	Selected Risks	7,334,129
107.	107.	New Zealand	7,025,605
108.	108.	Norwich Union	6,835,655
109.	109.	Caledonian-Netherlands	6,745,714
110.	110.	Tri-State	6,276,831
111.	111.	Celina Mutual	6,023,972
112.	112.	Century	5,888,472

1952 Rank	1953 Rank	Group	Total Premiums Written
123.	123.	Seaboard Finance	1,977,153
124.	124.	Suburban Casualty	1,526,603
125.	125.	Progressive	1,342,116
126.	126.	Chas. L. Jackman	1,256,677
127.	127.	Merchants Fire	1,225,864
128.	128.	Agricultural, Wyo.	385,548

Survey Need for Broader Minn. Disability Cover

As the first step in a sickness and disability insurance survey ordered by the 1953 Minnesota legislature, a questionnaire has been sent to a large list of employers in the state. The purpose of the survey is to obtain statistics on the need for a disability program that would serve workers who, becoming ill, are ineligible for either unemployment or workmen's compensation. Kenneth Anderson, University of Minnesota associate professor, is chairman of the survey committee.

Cuts Auto Rate 10% in Wis.

A 10% reduction in auto insurance rates for all drivers, except unmarried under age 25, has been made by Rural Mutual Casualty. The new rates are effective immediately on new policies and May 1 for others.

Good Neighbors...

Working for Safer Living and Lower Insurance Rates!

Jones cleans out his cluttered attic.
Smith drives carefully and courteously.
Brown mends his broken sidewalk.
ALL are helping to make life safer and to lower your insurance rates—by keeping losses and accidents down.
Losses from fires and accidents in your area, plus the cost of doing business, determine how much insurance companies must charge you for sound insurance protection. When losses decrease to a point where reduced rates become possible, insurance costs less.
Insurance rates are not arbitrarily set by the insurance companies. After they have been determined from the above factors, they must be approved by the Insurance Departments of the various states.
By doing your part in preventing accidents and fires in your community, you and your family also will enjoy the benefits of safer living and less expensive insurance.



For Peace of Mind insure with

America Fore
INSURANCE GROUP

The Continental Insurance Company
Niagara Fire Insurance Company
The Fidelity and Casualty Company of New York

Fidelity-Phenix Fire Insurance Company
American Eagle Fire Insurance Company

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★ NATIONAL GEOGRAPHIC

DOCUMENTS ARE PRODUCED

Bankers L.&C. Wins Important Skirmish in Conspiracy Suit

Charles A. Sammons, president and major stockholder of Reserve Life of Dallas, and E. H. Barry, executive vice-president, produced in Miami federal court this week 53 letters, documents and memoranda between Reserve Life or its officers and state insurance departments or other companies, relating to matters concerning Bankers Life & Casualty of Chicago, and any state insurance department. The documents were produced only after a bitter court struggle in both Miami and New Orleans, winding up Saturday when the U. S. Court of Appeals at New Orleans denied an appeal by Reserve which would in effect have nullified the order at Miami to produce the documents there for the inspection of Bankers and for reproduction.

This is all part of the two-year old \$30 million damage suit brought by Bankers against Reserve on a charge of conspiracy and restraint of trade. Bankers L. & C. has been taking depositions at Miami in preparation for a hearing before the federal court on this suit, and during the preliminary hearings Mr. Sammons refused to answer questions of Bankers' counsel on the grounds of possible self-incrimination. Also named in the suit are Commissioners Zack D. Cravey of Georgia and other companies controlled by Mr. Sammons. Mr. Cravey's suit has been severed and will be heard in federal court at Atlanta.

Taking of depositions was halted

when attorneys for Bankers read into the record three letters allegedly written by C. C. Bradley, a former vice-president of Reserve, concerning his activities and conversations with Cravey and officials of his department in connection with Cravey's refusal to renew Bankers' license there and those of Bankers' agents in Georgia.

One of these letters as read into the record quotes Cravey as reiterating his "overall plan to keep Bankers out of the state and to throw all of Bankers' agents and business our way." Another tells of communications about Bankers between Cravey and other insurance commissioners, and a third describes conversations and activities with Cravey to waive a Georgia insurance regulation in order to recruit Bankers' agents to Reserve and George Washington Life, another company owned by Mr. Sammons.

After Mr. Sammons and Mr. Barry refused to answer questions about the letters, attorneys for Bankers recessed the taking of depositions and obtained an order from Miami federal court for Reserve to produce certain documents or letters. It was at this time that attorneys for Reserve applied to the court of appeals at New Orleans. Bankers wanted the letters produced for the purpose of reproduction and inspection.

Mich. Farm Bureau All Set to Start Writing Fire

The Michigan Farm Bureau fire company is ready to start operations, and probably will begin writing business next month. It will have \$250,000 in surplus, although there are \$489,000 in requests for surplus certificates. Already applications for 5,538 policies totaling \$69,300,000 in coverage have lined up.

Vote Study of Texas Insurers with Eye on Tighter Laws

The Texas legislature has voted a resolution asking the legislative council, a 15-member house and senate group, to conduct a thorough investigation of Texas insurance companies to determine whether financial and legal requirements of new companies are strict enough to protect policyholders and stockholders. The council will report its findings and recommendations as to legislation next January. Indications are that insurance laws will be tightened.

Rep. Elliott of Pasadena, one of the sponsors of the resolution, said one council should inquire into the abnormally high number of insurance companies that go broke in Texas each year and should find out if the policies issued by these firms conform to the advertising they put out.

Garland A. Smith, chairman of the board of insurance commissioners, was quoted as saying that insurance now ranks second among Texas businesses, with 1,860 licensed companies.

This will be the first major investigation of state insurers since 1938 when a similar investigation was conducted into mutual assessment companies. There followed a revision of laws governing those insurers.

Sen. Moore of Bryan said capital and surplus requirements of life companies should be raised. A limited life company can be organized today for practically nothing. Capital requirements of fire and casualty companies should also be increased.

N. H. Commissioner Alters Counter-signature Statute

New Hampshire insurance department has amended its rules and regulations pertaining to countersignature, making it permissible to use counter-signature endorsements provided a copy of the endorsement containing the name of the company, policy number, name of insured, amount of the premium applicable to risks located in the estate, term of the policy and type of coverage is left with the countersigning agent.

This amendment, signed by Commissioner Knowlton, alters his directive of 1953, which prohibited use of counter-signature endorsement if it, or a facsimile countersignature, were used on the policy. In the case of endorsements or riders not attached to the policy, the 1953 ruling directed that countersignatures be used, provided a monetary consideration for the endorsement is involved.

As an alternative to the amendment, a copy of the report to the company, containing the same information as listed above, may be submitted to the countersigning agent at the time the countersignature is requested and the endorsement is attached to the policy.

Agents to Hold Mo. Stag

Southeast Missouri Assn. of Insurance Agents will hold its annual stag outing at Lake Wappapello, Mo., May 20; the all-day affair for the field men includes a luncheon and evening meal. Charles E. Carroll of Kennett, Mo., is secretary of the association.

Chicago Auto Men Meet

Automobile Superintendents Club of Chicago at its April meeting heard talks by Guy W. Banister, special agent in charge of the FBI at Chicago, and William J. Davis, manager of National Automobile Theft Bureau. The speakers discussed the cooperation that

exists between the theft bureau and the FBI. Mr. Davis had as his guest Agapito Dimarucak of Manila who was selected by the Philippine government to study the automobile registration system in this country.

Okla. Mutual Agents Hold Spring Meeting

The two-day spring meeting of Oklahoma Assn. of Mutual Insurance Agents at Tulsa, which drew some 115 persons, was highlighted by a talk on "What Are Our Agency Problems Today" by Philip L. Baldwin, executive secretary of the National association.

The first day included "Loss Reporting, Servicing and Adjusting" by H. J. Ferguson, secretary-treasurer of Farmers Alliance and Alliance Mutual Casualty, and "Bonds and How They Should be Written," Edward Hook, manager southwestern agency department, Dallas, Lumbermen's Mutual Casualty. There was also a film furnished by Mill Owners' Mutual, "Closing the Sale".

In addition to Mr. Baldwin's talk on the second day the agents heard "The Insurance Agent & Social Security," Earl Amos, manager of the OASI bureau at Tulsa; "Multiple Location Form," R. E. Phelps, Indiana Lumbermen's Mutual. There was another movie, "Meeting Objections," and a talk on business letter writing by Dr. C. I. Blanchard, professor of business education, University of Tulsa.

John Schellstede of Tulsa was elected to the board to fill the unexpired term of John Kitchen, Tulsa, who was killed March 24 in an airplane accident.

Stellar Speaker Card for Louisiana Agents

Program highlights for the annual convention of Louisiana Assn. of Insurance Agents, to be held May 6-8 in the Edgewater Gulf hotel, Edgewater Park, Miss., include as speakers J. H. Hines of Hones, Bros., managers, Atlanta; James C. O'Connor, executive editor, Fire, Casualty & Surety Bulletins of the National Underwriter Co., John H. Jackson, attorney, Fidelity & Deposit, and E. J. Seymour, president of the National association.

New Credit Agency in Mich.

Bank Insurance Associates has been organized at Grand Rapids to write consumer credit coverages for banks in Michigan. Premier of San Francisco is handling the business. Principals in the concern are Donald J. Cobb, John A. Hake and F. G. Lisle.

F. & D. on Cal. Dam Bond

LOS ANGELES—United water conservation district has awarded a contract for construction of a dam on Piru creek to Macco Corp., D. & H. Construction Co., and M. H. Hasler Construction Corp. as joint-venturers at a bid of \$3,534,000. Fidelity & Deposit is the surety.

Byrnes-McCaffrey in Own Building

The Byrnes-McCaffrey agency of Detroit has moved into its own building at 1534 East Jefferson avenue. The new quarters are two stories high of colonial design. Byrnes-McCaffrey have had headquarters in the Ford building at Detroit. There is a branch office in the Board of Trade building in Chicago.

The executive board of Federation of Insurance Women of Texas will hold its mid-year meeting in Waco, April 24, with Mrs. Era Anderson, president of Insurance Women of Waco, as host. Reports by officers and committee chairman will be given, plans made for the next annual convention, and an election will be held to fill the vacancy created by the resignation of Mrs. Polly Humphreys of Houston, first vice-president, whose husband has been transferred from that city to Fort Worth in the home office of Commercial Standard Ins. Co.

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Over Low Primary
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To Help You **PLACE** the **SMALL RISK**
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Combs Replies to Latest Blast at Ark. Fire Rates

Commissioner Harvey Combs of Arkansas has replied to a "public letter" from state senator John Cloer of Springdale in which the insurance department is accused of not representing the people of Arkansas and there is a demand that fire insurance rates be reduced by 25%. Mr. Cloer had also asserted that the department "has been dominated and told what to do by the foreign stock companies and the Arkansas Rating Bureau which is not operated by the state but by insurance companies."

Mr. Combs, also writing an open letter, told the senator he did not believe he had all the facts. The commissioner cited the consistent rate reductions ordered by the department since 1937 in accordance with the 5% underwriting profit law for stock companies, and compared Arkansas fire and EC rates with those of surrounding states to show how favorably the rates stack up.

Mr. Combs said he "cannot just raise my hand and say that rates are too high and therefore a 25% reduction is ordered." After the 1953 figures are put into the hopper there will be a base on which to determine whether rates should be changed. Referring to Cloer's charge that a 25% reduction would save policyholders \$10 million annually, Mr. Combs remarked that the average annual earned fire premiums in Arkansas are only \$13 million, so a \$10 million reduction would leave only \$3 million to cover average annual losses of \$5 million. This does not include expenses. The commissioner said one of his duties is to see that companies remain solvent.

Senator Cloer is the one who prompted the current investigation by the Arkansas Legislative Council into fire rates and profits. This originated in the 1953 session when Cloer introduced a resolution charging that fire and workmen's compensation rates were too high and called for a five-member senate committee to conduct an investigation. This died out after Cloer conferred with representatives of the fire companies, the department and officials of Arkansas Inspection & Rating Bureau. However, in June of 1953 the bureau made a filing for a mandatory \$50 wind and hail deductible with no change in EC rates. Commissioner Combs said he would not approve a mandatory plan and the filing was withdrawn.

The bureau refiled an optional deductible, increasing rates 25% for full coverage plus a flat charge of \$10 per building, and it was approved. This created a storm in the agency ranks, and in a formal resolution to the department the agents characterized the optional deductible filing as excessive and discriminatory, called for a public hearing and asked that the filing be suspended at once. There were complaints from policyholders. Mr. Combs by special order rescinded his approval on the grounds that rates were virtually prohibitive for property owners desiring full cover.

While all of this was going on, the department released its annual fire underwriting profit compilation for the stock companies, showing a 15.14% un-

(CONTINUED ON PAGE 31)

New Western Underwriters Association Leaders



New officers elected at the annual meeting of Western Underwriters Assn. last week at White Sulphur Springs, W. Va.: From the left, P. S. Beebe, Hartford Fire, vice-president; Paul H. Barr, Hanover, vice-president; Leonard Peterson, Home, president; and E. H. Born, who was reelected manager and secretary.

Claims Scarce in Rash of Windshield Pitting

According to numerous stories in the daily newspapers, backed up by eyewitness accounts and photographs, there is an epidemic of pitted auto windshields and shattered rear windows making itself felt in certain parts of the country.

Beginning in the Pacific Northwest, where the phenomenon seems to have visited most heavily, there have been scattered reports from the Chicago area, downstate Illinois, Michigan, Indiana, and as far east as Ohio. Equally as mysterious, is the scarcity of claims for damage under the comprehensive section of automobile insurance policies. At least one claim was filed with U.S.F.&G. in Chicago by a suburban Park Ridge motorist, and the company is attempting to obtain a piece of the windshield for a laboratory test.

A company official said the pitting may be due to inherent characteristics of the glass. He said he believes the laminated construction of many contour windshields may make them susceptible to damage after atmospheric changes.

At Detroit, a representative of Pittsburgh Plate Glass attributed the damage to normal causes, such as flying sand, cinders or materials used to de-ice snow-covered roads. The damage, he said, generally was found on older or high-mileage cars.

Physicists at the University of Chi-

cago and Argonne research laboratories say the recent H-bomb tests in the Pacific are not responsible for the damage.

Following a survey by Malcolm H. Filsam, chemistry professor of Central Michigan college, he said, "Whatever is causing this must be coming straight down from the sky, probably from a high altitude."

Dr. Arthur Livermore in Portland, Ore., chemist and radiologist at Reed college, said there was nothing harmful in very small carbon-like pellets which fell in northwest Oregon for two days. He said they appeared to be an oil ash of volcanic or industrial origin but added that they have no effect on glass.

Research men, according to one newspaper account, expressed doubt that windshield pitting has been caused by radio-active material.

American Mutual Names Dorsey

American Mutual Liability has appointed Edgar L. Dorsey, Jr., resident secretary at Orlando, Fla. Since 1950 Mr. Dorsey has been district engineering manager at Orlando; before that at Charlotte, N. C.

Sedalia Agents Name Officers

Assn. of Insurance Agents of Sedalia (Mo.) has elected Mrs. Katharyn Rosecrans president to succeed J. L. Van Wagner, Jr. Thomas H. Jenkins was named vice-president and J. W. Watts was reelected secretary-treasurer.

Motorists Mutual Offers Unsatisfied Judgment Cover

"Unsatisfied judgment insurance" has been brought out by Motorists Mutual of Columbus to provide coverage for an insured driver who is unable to recover damages from an uninsured motorist causing an accident.

The coverage at a cost of \$5 a year per car will pay up to \$5,000 on one judgment or \$10,000 on all judgments arising out of one accident. Coverage will also apply if the policyholder is riding in a friend's car, while walking as a pedestrian or riding a bicycle. It extends to insured's wife and minor children.

If the insured suffers bodily injury or death in an accident in a car whose owner has no auto liability coverage but is at fault, the insured driver can sue to recover damages. If he wins a judgment and the other driver has no money or property with which to pay, the unsatisfied judgment insurance will cover up to policy limits of 5 and 10.

Motorists Mutual pioneered automobile medical payments in 1938, and is bringing out UJ insurance as a possible answer to the state operated unsatisfied judgment funds or compulsory automobile insurance. President Carl N. Crispin of Motorists said a state operated UJF is "unrealistic and inherently subject to political pressures which are inimical to the public interests." The financial responsibility law, he said, is "the practical limit to which government itself can go in encouraging drivers to insure themselves."

The solution, Mr. Crispin declared, must come from the business, and UJ coverage may be the answer.

Expect No Early Action on Allstate's Filing to Write Fire in Michigan

With the deadline approaching for the Michigan department to reach a decision on the filing of Allstate to write fire business, it is understood that by mutual agreement between the company and the department the matter has reached a dormant stage. There are some technical questions the department wants answered, and the Michigan agents have put in a strong protest through their secretary-manager, Waldo O. Hildebrand, who has raised the question of whether Allstate has the right to use town classification and rating information of Michigan Inspection Bureau which is at least technically not available to non-members. Mr. Hildebrand points out that Allstate does not intend to join the bureau, and thus might not have a credible basis for rating. To permit it to write on a deviated basis, he says, would amount to discrimination, because it would save the company a cost item shared by the bureau members. This argument in many points parallels the dispute now pending before the New York department on the partial withdrawal from subscribership of North America from New York Fire Insurance Rating Org., and one of the reasons for delaying action on Allstate in Michigan apparently is to await the decision in that case.

The Michigan insurance code contains a fair trade practices section, and it is reported there have been questions raised as to whether the Allstate filing at 20% below bureau rates would constitute unfair competition.

Highlights of the Week's News

- State directors of NAIA issue statement in opposition to auto insurance plan of Fire & Casualty of ConnecticutPage 1
- Thomas E. Wood agency of Cincinnati wins IAC advertising awardPage 1
- Agents of Pioneer Mutual Compensation sue Commissioner Kavanaugh of Colorado for \$1 million charging "malfeasance"Page 1
- SEAU to file Interbureau dwelling policy, Inter-Regional Conference recommends its new cover for filingPage 1
- Combs of Arkansas replies to blast against department; give background of legislation investigationPage 5
- Bankers Life & Casualty wins court skirmish in its \$30 million case against Reserve Life of DallasPage 4
- Vote legislative investigation of insurers in TexasPage 4
- Motorists Mutual of Columbus introduces "unsatisfied judgment" insurance to attach to auto policyPage 5
- Program announced for Kansas City casualty and surety sales congress announcedPage 9
- Allstate's fire filing in Michigan is in dormant stagePage 5
- State Farm gets OK in Louisiana to write at 25% under bureau rates, but can't charge membership feesPage 8
- Insurance public relations must be national in scope, Kenneth Ross avers at Seattle meeting of NAIA state directorsPage 27
- Diligent service needed to keep insurance buyers out of department store queues, A. M. Slawsky tells NAIA state directorsPage 30
- AFL regional organization sets up an insurance agency at Little RockPage 11
- U. S. Supreme Court defers suits against insurers in Louisiana ship capsizes casePage 10
- New standard provisions for workmen's compensation policy to become effective Oct. 1Page 19
- Rocky Mountain Territorial Conference winds up Colorado Springs meeting, hears Gen. Olmsted; panel on boiler coveragesPage 15
- Florida agents issue more bulletins on auto situationPage 2
- Leading insurance groups from standpoint of total premiums are listedPage 3
- FCIC expansion, interest in field by private insurer, reportedPage 20



Spring is a good time to "take inventory." In surveying your policyholders' *present* protection you may find, in many cases, opportunity to write new business. Improvements, additions and newly acquired home furnishings may not be covered—a client's property values may have changed so that it's advisable to increase his amounts of protection.

The Home has been stressing the importance of adequate property insurance in full-color advertisements like the one on the right. Follow up this advertising. This Spring, take a new look at the names on *your* books. They're your best prospects for *additional* insurance.

☆ THE HOME ☆
Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

Meet your HOMEtown Insurance Agent



He sold me peace-of-mind...neatly wrapped in paper

A home is for happiness.
That's what you work for—that's where your enjoyment is.
A house can be replaced of course — but *contentment* can't be.
Isn't it worth protecting your peace-of-mind?

You'll be surprised how much your insurance man can add to your peace-of-mind, if you will allow him. You can't fully enjoy your home and belongings unless you *know* they are properly protected. Your Home Insurance agent knows how to give you exactly the protection you need and want. He knows your town and understands your problems and ambitions.

You'll find him pleasant to talk to and a good friend to have — why not call him soon?



Do you know what you own?

You may be surprised to know the total value of your home furnishings and personal effects. Every homeowner should have a home inventory. For a handy free inventory booklet, see your Home agent or write The Home Insurance Company, Dept. A.

★ Your HOMEtown Agent can serve you well—see him now!



This ad will appear in full color, full page size in the following publications:
TIME May 24 • SATURDAY EVENING POST May 22 • BUSINESS WEEK May 29 • U.S. NEWS & WORLD REPORT June 18
NATION'S BUSINESS June • BETTER HOMES & GARDENS June
SUCCESSFUL FARMING June • TOWN JOURNAL June

★ THE HOME ★ *Insurance Company*

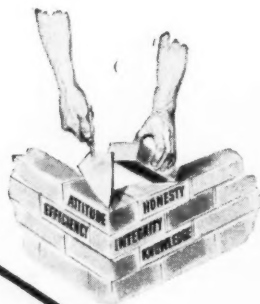
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FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds



Insurance protector of American homes and the homes of American industry.



National Notes for Producers

How to Build Prestige for Your Agency

Prestige is a matter of public opinion, and some of the important influences on public opinion are:

- The prospect judges an agent by his attitude towards what he is selling and his knowledge of insurance;
- The insured looks for evidences of efficiency and good human relations in the agent's office and in his office procedures;
- The community expects the agent to have good employee relationships and evidences of careful selection of employees who are properly trained;
- The public looks for honesty and integrity in all forms of advertising and promotional materials;
- The neighbor seeks to do business with agents who have demonstrated an importance to the community life; and
- The client will show preference for an agent who demonstrates his integrity as a professional person as well as a merchant of security.

And remember . . . it takes more than a policy to pay a loss (or build prestige) it takes a dependable organization like the National of Hartford Group.



NATIONAL OF HARTFORD GROUP

Fire • Marine • Casualty

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS AND TRADERS INSURANCE COMPANY
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La. Okays Auto Cut by State Farm but Disapproves Fees

Louisiana insurance rating commission has granted State Farm Mutual Automobile permission to write auto BI and PDL at 25% below bureau rates. However, it turned down State Farm's application to use membership fees. The action exactly reversed the casualty and surety division of the commission, which had denied the rate reduction but approved use of the fees.

Commissioner Martin said the company had demonstrated that it can sustain the lower rates. State Farm attorneys, however, said approval of the rate reduction is meaningless because the means of putting it into effect, membership fees, was disapproved. The fees are paid agents for putting new business on the books.

The commission found the membership fee plan misleading, contrary to the public welfare, contrary to law and unjustified. Mr. Martin termed the fee really an extra assessment which should be included in the premium. It would require policyholders to pay more than the regular rates in Louisiana during the first six months, in spite of the 25% reduction. The firm has been paying a 20% dividend under regular rates and Mr. Martin said he thought the company should be able to put the new rates into effect without the fees.

The commission directed Mr. Martin to look into State Farm advertising to determine whether it is misleading and take such action as may be advisable.

The commission also reversed its casualty and surety division when it granted the company permission to discard a 10% surcharge on six month policies since all of its auto policies are written for six months.

Approval of the 25% reduction is good for one year.

To Study Possible Rise in Rome Convention

The advisability of amending the \$1.2 million limitation of payments for overseas air crashes, as outlined in the Rome convention, will be investigated by Civil Aeronautics Board and federal air coordinating committee of the Department of Commerce. Senator McCarran of Nevada directed the board and committee to investigate and report to Congress before April, 1955. A similar measure was introduced in the House.

Tobin Shifts to Florida

American Indemnity of Galveston has appointed William J. Tobin as special agent in Florida with headquarters at Lakeland. He will be associated with George C. Hays, state agent. Mr. Tobin has been with General Accident at Indianapolis.

Open American Plan Hdq.

American Plan Corporation will hold formal open house at its new headquarters offices, 99 Park Avenue, New York City, April 23.

N.Y.C. Agents To Give Scholarships

Prizes will be awarded the top students in advanced seminars given in the school of insurance of Insurance Society of New York in preparation for part one of the CPCU examinations by New York City Insurance Agents Assn.

he was
BORED STIFF
until . . .



I cited two of his competitors who'd accepted PACIFIC NATIONAL coverage recommendations and avoided heavy losses.

Before that, he yawned right in my face. Now he's my best client!

It's a good policy to ask the PACIFIC NATIONAL Special Agent for specific examples applying to your solicitations.

And it's a **GOOD POLICY**
for both Agent and Assured
that bears this seal



**PACIFIC
NATIONAL
FIRE INSURANCE
COMPANY**

HOME OFFICE • SAN FRANCISCO
FOREIGN DEPARTMENT • NEW YORK, SAN FRANCISCO
EASTERN DEPARTMENT • PHILADELPHIA
WESTERN DEPARTMENT • CHICAGO
SOUTHERN DEPARTMENT • ATLANTA
INTERNATIONAL FACILITIES
WORLD-WIDE SERVICE

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Kansas City C. & S. Congress to Stress 'Sell Now' Theme

"Now's the Time to Sell" will be the theme of the annual Kansas City Casualty & Surety Sales Congress May 7. Speakers will include four insurance men and J. C. Penney, founder of the J. C. Penney stores, and Elmer Wheeler, professional raconteur.

J. R. McWilliams, assistant manager of the automobile division of National Bureau of Casualty Underwriters, will discuss the bureau's point of view on the automobile insurance situation.

Frank H. Hawk, Peoria, will present the field view on meeting competition of direct writers.

After these talks a panel will take up the discussion, with E. C. Owen, manager at Kansas City for Fidelity & Casualty, as moderator. He will be assisted by H. E. Morrow of Mann, Kerdloff, Kline & Welsh, Kansas City; Joseph Jackson, Jr., of Maryville, president of Missouri Assn. of Insurance Agents, and Howard N. Fullington of Dulane, Johnston & Priest, Wichita, newly-elected chairman of the Midwest Territorial Conference.

In the afternoon George W. Lutton, resident manager of midwest operations of the American-International Underwriters, Chicago, will speak on "The Local Agent's Place in Foreign Insurance."

Morris T. Jones, president Kansas City Fire & Marine and chairman of the board and managing director R. B. Jones & Sons, will discuss today's selling requirements in his "Death of a Salesman."

F. Vernon Griffith, W. B. Johnson & Co., is chairman of the planning committee for the congress.

Insurance Has Its Day at L. A. Industrial Rally

LOS ANGELES—Insurance in all its branches this week received its first recognition as one of the features of Institute of Industrial Relations in the 17 years the institute has been held. The entire program of the first day was devoted to insurance men giving a picture of what the industry is doing to serve the public.

Edward S. Cunningham, Standard Accident manager, speaking on embezzlement said loss by embezzlement in a single year totalled approximately \$400 million. He declared the only effective protection in the final analysis is the bonding of all employees, with adequate coverage, and pointed out that the standard blanket bond covers all employees without exception.

John P. Adair of Founders said package policies are replacing those written on separate lines, holding that "today the retailer is being asked to throw away his fire insurance, burglary, transportation and all other individual property policies, and to accept in their stead one policy which covers everything. Surprisingly, but for apparently sound actuarial reasons, this policy generally sells for just a little less than the sum of the individual policies it replaces."

He said the idea has been applied to personal risks where families combine all their insurance needs, except life, into one policy with a single premium. He estimated that 5% of all California households now have package insurance.

L. C. Fiel, Pacific Coast manager of Jones & Whitlock, spoke on excess and deductible insurance.

There was a panel discussion on contractual liability cover by members of Pacific CPCU chapter, moderated by Robert McWilliams, attorney. Participants were: Charles Jacobs of Charles Jacobs & Co.; Edward Mack, Travelers; Edgar H. Donaldson of Paul Talbert Co., and Edward Stout, General Petroleum Corp.

Ron Stever, president of Ron Stever & Co., and general agent for Equitable Society, spoke on "Incentive Compensation for Non-Key Personnel," and Walter G. Gastil, Connecticut General Life manager, closed the insur-

ance portion of the meeting with a dynamic talk on "Private vs. Government Welfare Benefits."

Glens Falls Names Ewing Fergus Head of New Office in Cal.

Glens Falls group has opened a new service office at San Diego, with Ewing B. Fergus special agent and B. R. Smith claims manager.

Mr. Fergus until the end of 1953 was manager of Kansas Inspection Bu-

reau at Wichita, having joined the bureau at Topeka in 1919. A member of Kansas Blue Goose, he is a charter member of the Sunflower puddle at Wichita and of the old Central Kansas Field Men's Club, of which he was secretary for several years. He was vice-president of Kansas Fire Prevention Assn. and for four years was chairman of the fire prevention committee of Wichita chamber of commerce.

Insurance Women of Lincoln (Neb.) heard a talk by J. P. Cashen, compensation court judge, at the April meeting.



PORTRAIT
OF PROGRESS

On a cool and brilliant November morning in 1825, an elaborate aquatic procession completed its journey from Albany to the Sea, a keg of lake water was poured into the Atlantic and the cannon at Fort Hamilton announced the official opening of the Erie Canal, first of a long series of internal waterway projects destined to bring the production of our mid-west to the markets of the world.

As the nation's commerce grew and other waterways were developed, Chubb & Son acquired broad experience and knowledge of insurance requirements which enabled it to devise many of the features of present-day construction bonds. We are proud of our record of "Serving the Leaders" in this field of American Industry and Commerce.

FEDERAL INSURANCE COMPANY

Into which has been merged, July 1953

UNITED STATES GUARANTEE COMPANY

CHUBB & SON

MANAGERS

90 John Street, New York 38, N. Y.



VIGILANT INSURANCE COMPANY • MARINE INSURANCE COMPANY, LTD. • SEA INSURANCE COMPANY, LTD.
THE LONDON ASSURANCE (Marine Dept.) • ALLIANCE ASSURANCE COMPANY, LTD.

These 4 Great Stars Open Millions of Doors for MUTUAL of OMAHA'S Team



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★ Holds for Insurers in Ship Sinking But Only Defers Suits Against Them

The U. S. Supreme Court has reversed the appeals court in the case of Maryland Casualty et al. vs Gertrude P. Cushing et al. The case involved the sinking of the towboat *Jane Smith* when it hit a concrete pier and capsized in the Atchafalaya river in Louisiana.

The owner and charterer of the towboat filed consolidated petitions in admiralty in the district court to limit their liability under federal law. That court issued an injunction prohibiting suit against them elsewhere than in the limitation proceeding. The appeals court reversed. The case now goes back to the district court to be continued until after completion of the limitation proceeding.

The present action was filed by Maryland Casualty, which had a \$10,000 workmen's compensation and employer's liability policy with the charterer as insured with a special endorsement making its terms applicable to maritime employment. Home had a \$170,000 P.&I. policy in which both owner and charterer are named.

The plaintiffs, representatives of five seamen who were drowned, brought a consolidated action against the owner of the bridge and the insurers of owner and charterer of the *Jane Smith*. For their right to proceed against the insurers, plaintiffs relied on section 655 of the Louisiana insurance code which authorizes direct suit against the insurer within the terms and limits of the policy.

The district court dismissed the suit against insurers on grounds the Louisiana statute was inapplicable to marine insurance policies and because its application here would prejudice the characteristic features of the general maritime law.

The plaintiffs seek to derive support for reliance on the Louisiana statute from public law 15, which provides that no act of Congress shall be construed to invalidate, impair, or supersede any law enacted in any state to regulate the insurance business unless such act specifically relates to the insurance business. The Supreme Court concludes that public law 15 is not relevant.

The governing issue is, does the Louisiana statute enter an area of maritime jurisdiction withdrawn from the states? The court points out that limiting shipowners' liability long has been a legislative objective of Congress, to induce the heavy financial commitments the shipping industry requires by mitigating the threat of a multitude of suits and the hazards of vast, unlimited liability as a result of a maritime disaster.

The court held that the Louisiana direct action statute does clash with the federal system for marshalling all claims arising from certain maritime causes of action. The heart of this system is a *concursus* of all claims to insure the prompt and economical disposition of controversies in which there are often a multitude of claimants.

Direct actions against the liability underwriter of the shipowner or charterer detract from the benefit of a *concursus* and undermine the operation of the Congressional scheme for the complete and just disposition of a many cornered controversy, the court ruled. The direct action statute conflicts with

the Congressional policy of limited liability.

The complaints in two of the five consolidated suits ask for \$600,000 in alleged damages. Thus the total may exceed the \$180,000 sum which the policies would cover. If the five claimants succeeded in obtaining judgments of \$180,000 without exhausting all claims, there would be no bar to additional recovery from shipowner and charterer in the limitation proceeding by other claimants. Yet in the absence of the direct action statute the liability policies would be more than sufficient to cover any judgment that might be rendered in the limitation action.

The extent to which insured lose the benefits which Congress intended them to have is measured by the protective value of their insurance. Without having bought any policies they could only have been held for \$25,000 (the probable salvage value of the vessel and its freight). To permit direct actions under state statute would require shipowners to become self insurers for liability risks to be sure of getting the full protection of the limitation legislation. Since substantially all maritime risks are insured, this sort of qualification would be completely inconsistent with the limitation act, the court opined.

Where the evident design of Congress can be carried out only by barring state action, it must be barred.

The court admitted that the present suits might not operate to leave shipowner and charterer to face liability in the limitation action without indemnification. Judgments in the present actions against insurers might satisfy all claims or leave enough insurance money to indemnify shipowner and charterer for liability in the limitation action. Also, the court admitted, it is the insurers not shipowner and charterer who are seeking to rely on the limitation act as a defense. But the actions are brought completely independently of the limitation proceeding and if the court keeps hands off the direct actions, draining away of insurance proceeds cannot be challenged at any time by anyone.

The point of inadmissible conflict between state and federal legislation is reached as soon as suit is brought against insurers to get at the proceeds of the policies. Of course, liability underwriters are not entitled to limitation of liability as that term is used in admiralty.

Justice Clark wrote a concurring opinion. But he would allow the district court to adjudicate the liability in this case after the limitation proceeding has run its course, and "in order to break the deadlock" in the court resulting from its differences of opinion, the majority settled for that ruling.

Justice Clark emphasized that the limited liability act was not designed for the benefit of insurers.

Justices Black, Douglas and Minton dissented and voted to affirm the appeals court finding in the case. They stated, among other things, that there is no possible reason for making insurers the beneficiaries of the shipowners' relief act.

They also disagreed with the argument that other shipowners might have to pay higher premiums and buy more insurance if recoveries are allowed here and that this would discourage investments in ships. They cannot see

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how the limited liability act may be read to impose a ceiling on premiums over which the states normally have full power. The only real beneficiary of an opinion holding that the suits must be wholly barred to save ship-owners from injury would be the insurers themselves. They argued against deferring the suits.

Labor Council Sets Up Agency at Little Rock

Central Trades Council of Little Rock, the AFL regional organization in Pulaski county, has set up an insurance agency under the name United Employees Agency. Murl T. Janes is the manager. At one time he was claim manager for Ins. Co. of Texas, and more recently had a similar job with a Texas Lloyds organization. He passed the Arkansas agency examination Feb. 9.

Stock in the agency is owned 50% by Central Trades Council and 50% by Combined Investments, Inc. of Dallas, which is said to be owned by J. A. McMahon, Jr. Mr. McMahon is a vice-president and director of Ins. Co. of Texas, and that company is the principal one in the agency.

It is understood Mr. McMahon has plans to set up similar agencies in eight or ten other states, and mention is made of Louisville and St. Petersburg as coming up soon.

Riverside of Arkansas and Kansas City F. & M., are also in the agency. Central Trades Council is composed of 31 unions in Little Rock with a membership of 18,000.

Mich. Bill Brings Revision of Bonds on Gas Dealers

LANSING—The Michigan legislature adjourned its session with few bills pertaining to insurance enacted. Considerable surety bond business will be revised under terms of one of the last measures to be passed. In its original form it would have set what insurance men regarded as a highly dangerous precedent by providing that the secretary of state purchase blanket bond coverage to protect the tax liability of all gasoline and diesel fuel wholesalers.

The strong objections brought a drastic rewriting of the measure and it encountered additional amendments, finally winding up in a conference committee whose report was adopted. In its approved form, the act will make discretionary, rather than mandatory, the provision of tax liability bonds, with the gas tax division of the department of state deciding whether individual dealers should be required to furnish the state surety protection.

Obviously, surety men point out, the distributors who are required to post bonds will not be the best risks and hence bond premiums are certain to be higher than under the old law. The bond required will range from \$1,000 to \$25,000 for gasoline distributors and \$500 to \$5,000 for distributors of diesel fuels. Officials of the tax division indicated probability that all new dealers would be required to give bond and probably most or all diesel fuel dealers inasmuch as much of the latter operate from gasoline station bases which they do not own, giving the state little protection in the way of property to seize under a tax lien. In all events, as under the present law, the state will pay the premium as provision is made that dealers supplying bonds be reimbursed for this expense.

Southern of Dallas has been admitted in Oklahoma and has named Walter D. Hanson, Oklahoma City attorney, as its special agent.

George A. Betzold has opened a local agency at Roanoke. He has been a field man for Employers group for the past three years.

Keep Pace with A&H Through Study, Everett Tells New Jersey Agents

Continuous study of the accident and health business was urged by Ardell T. Everett, second vice-president in charge of the A&H. department for Prudential, at a meeting of the New Jersey A&H. Assn. in Newark.

The business is changing rapidly and changing for the benefit of the insuring public, Mr. Everett said, adding that agents must keep in constant contact

with each new development to obtain public acceptance of accident and health insurance. He said many successful producers use trade magazines, newspapers and accident and health publications to keep up with the market.

Because buyers are better informed than ever, the producer must be familiar with such terms and forms as major medical expense, blanket coverage, hospital and surgical non-can, and group and schedule types of policies, he said. He emphasized that agents also must learn to tell the

prospect the whole story—accurately.

Mr. Everett complimented the New Jersey chapter for the inauguration of a DISC program at Rutgers University, with George E. Lehman, New Jersey state manager of National A. & H., as coordinator. Such courses serve an extremely useful purpose in the industry, he said.

Joseph Harmelin, president of the association, presided. Donald E. Lynch, director of public relations of Mutual Benefit Life, will be the speaker at the May meeting.



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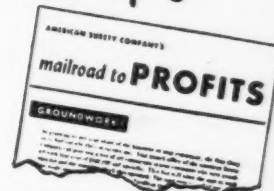
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N. C. Freight Carriers Must Get State Okay of BI and PDL Covers

RALEIGH, N. C.—North Carolina Utilities Commission, in its first directive on the subject of insurance, has set up a requirement that all BI and PDL contracts between franchise motor freight carriers and insurers be filed with the commission for approval.

The directive also stipulates that such contracts must be countersigned by a licensed North Carolina resident agent for the insurer.

According to M. B. Glover, motor freight transportation director for the commission, it has been concerned for some time over the number of private liability insurance contracts or agreements of which the commission had no first hand knowledge. Actually, he said, these contracts frequently contain a deductible feature which is nothing but self insurance for certain primary limits. As such, he added, the deductible insurance is prohibited until the commission has investigated the financial status of the carrier and approved the contract.

Glover said the commission would not deem these deductible contracts to be valid and enforceable unless they have received the commission's stamp of approval.

Agenda Set Up for NAIC Meeting on Credit Covers

The subcommittee on credit life and credit A&H of National Assn. of Insurance Commissioners will meet for three days next week in Chicago. The agenda calls for April 26 to be given over entirely to the question of reserves with W. J. Davey of Indiana as chairman.

Commissioner Sullivan of Kansas will be in charge the second day for a discussion of rules and regulations for credit insurance, and then on the third day there will be an executive session with Mr. Sullivan in charge.

Ship Valuation Bill Considered by Senate

A bill which would set up a single standard for valuation of ships, lost as the result of war risk, with the compensation determined by the Secretary of Commerce, has been ordered re-

ported out by the Senate interstate and foreign commerce committee.

Insured would have the right to reject the Secretary's valuation, in case a vessel were lost, but if the valuation is rejected, insured would continue to pay premiums upon such valuation. Insured would be paid 75% of the valuation as a tentative advance. Insured could then sue the government to recover what he believed to be just compensation. However, if such a suit were brought, and the court's judgment were less than the 75% already paid, the excess would have to be refunded.

Tenn. Medical Assn. Asks Study of A&H Companies

Tennessee Medical Assn. has asked Commissioner Northington to investigate all companies selling A&H insurance in the state. The association's aim, it is said, is more rigid control over the companies, with a view toward obtaining for policyholders reasonable value for their premium dollar.

Another medical association proposal would expand the present Tennessee plan, now covering 650,000 and involving 35 companies, to embrace non-surgical, obstetrical and orthopedic cases, including cost of X-rays and anesthesia. Under the plan, participating physicians accept the benefits in the schedule as full pay for their services to those insured whose income does not exceed \$2,400 a year or to those with dependents who earn not more than \$4,200, provided the benefit is assigned to the doctor.

Liberty Mutual Settles Virginia Case for \$5,000

Virginia corporation commission has accepted a compromise settlement of \$5,000 from Liberty Mutual in a case in which the insurance company had been charged with violations of the Virginia insurance law.

Commission auditors alleged that the company's books disclosed departures from the state requirements for application of rates and classifications in writing insurance. The commission further stated that certain of the company's agents doing business in the state were not licensed there.

Schultz Is Wichita Speaker

George Schultz, chief engineer of Hawkeye-Security, was the speaker at the April meeting of Wichita Assn. of Insurance Agents, discussing "Insurance Safety and Inspection."

Smith Sees Future Rewards Going to Agent Who Sells

After stressing the strong points and trends in the nation's economy, Chase M. Smith, general counsel of Lumbermen's Mutual Casualty, told Mississippi Assn. of Mutual Insurance Agents at Biloxi that the great need today is salesmanship. The laurels of the next generation will go to the salesman, he declared.

The insurance business has sold only enough to prove that its opportunity is absolutely unlimited because the saturation point of human wants is never reached. If a man gets one house paid for, he said, he wants to build a better one. Then he wants an extra one for summer or winter. If he has one suit, he wants two. If he has an automobile, he wants two, then a boat or airplane. People will buy anything they have the means to get.

Salesmanship requires a proper understanding of the thing that is sold, of its usefulness to the customer; and a constant contact with the customer. A weakness of the insurance agent is his inclination to make his original sale and then coast, going on to find a new customer instead of fully serving and constantly exploring the needs of the customer he has.

The average policyholder is too rarely seen by his agent. The number of policyholders never seen by their agents over a period of years is countless. Personal contacts with established customers should be a universal rule. If the agent can't visit, he should telephone, if he can't telephone, he should write.

These personal contacts are the greatest defense of the agent's individual business, of the private system of insurance, and of the private enterprise system, because no other business is better organized and equipped to carry a personal message of common sense to all the people or furnish a better example of what a free business system can do for a people.

He called attention to the rise of the direct writers, especially in the automobile field. He said they operate at a low cost. There is nothing they can do in the way of underwriting or risk selection that mutual companies or

agents cannot do better. The real secret of their success lies in low acquisition cost. The significance of their growth cannot be ignored. It absolutely must be met.

There is no method that can perform the service necessary in the business more economically than is possible through the agency system. Agents will be deliberately denying themselves the lion's share of opportunities before them unless they collaborate in finding ways and means of solving this problem of cost. He advised agents to choose a company that can keep them in the picture on cost to insured. No magic will solve this problem. Only by the best management and agency cooperation can headway be made in the matter of cost.

Collateral to this is the question of risk selection. Mutual companies have grown and prospered upon this principle of careful selection of honest people who are ready and willing to collaborate in minimizing losses. This is more important than ever in this competitive age. Bad risks mean more losses and more losses mean higher insurance costs. To insure them in a group of selected policyholders is to discriminate against all policyholders. The agent cannot ignore the responsibility for risk selection. It is a matter of economic necessity that he waste no time trying to persuade his companies to accept policyholders below their standard.

The business has weathered a lot of wars, depressions, etc., and will meet the problems incident to any post-war adjustment in this country, whatever they may be, he declared.

Ala. Farm Bureau Mutual Cuts Auto Rates 12-40%

Alabama Farm Bureau Mutual Casualty insurance rates from 12 to 40%, the greatest reduction in this field by an Alabama company in several years.

No Ga. Captive WC Insurer

Plans of Associated Industries of Georgia to organize its own workmen's compensation company have been abandoned. The idea was fought by Georgia Assn. of Insurance Agents in a widely circulated brochure citing the dangers of such a plan.

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Six A&H Salesmen Quizzed in Ohio

COLUMBUS, O.—Six A&H salesmen have been questioned by representatives of the Ohio insurance department recently regarding their methods of writing such insurance. The action was taken as a result of complaints filed with the department. It is reported some agents pass hurriedly over questions in A&H applications. No decision has been given in any of the cases. One agent who will be given a hearing is said to be one of the biggest A&H writers in the state.

New Auto Theft Group to Meet at Kansas City in July

International Assn. of Auto Theft Investigators, the police organization which was organized last year, has scheduled its annual meeting for July 18-20 at Kansas City. Headquarters will be at the President hotel, and there are already nearly 200 reservations, all of them police officers.

IAATI was organized in 1953 after the FBI had conducted a series of meetings on automobile thefts throughout the country, holding conferences attended by 8,600 law enforcement officials in 125 cities. Among those prominent in getting the police to form an association were the managers in the offices of National Automobile Theft Bureau, which is maintained by 343 insurance companies.

The purpose of IAATI is to allow the police to improve their investigative techniques and exchange information on automobile theft methods. The Kansas City meeting will be the first one in full scale. At Oklahoma City last year there was an organization meeting followed by an initial business session consisting of lectures on auto theft methods.

One of the items to be featured at the meeting this year will be a showing of the theft bureau's movie on automobile thefts. There are two versions of this, one for the police and one for the public, and the greatest stress is placed on having a car owner remove the keys when he parks it.

Ruling Limits Risk Data to Certain N. H. Officials

Only insured or a duly appointed agent or broker of record may have access to detailed information on specific risks under a new rule adopted by New Hampshire Board of Underwriters. If no such broker of record has been named, the information may be given to a representative of a company carrying existing coverage on the risk.

The rule, similar to that in force in the rest of New England, goes on to declare that the grading schedule establishing a town classification will be discussed only with the mayor, board of selectmen, or heads of municipal departments, or such persons, firm or corporation representing these officials. In this way discussion of town classifications is barred to unofficial bodies such as civic clubs and taxpayers' associations.

Another New Hampshire manual ruling tightens stamping office procedure, calling for verification of all premium computations.

No Action by UA Group on Functionalization

The only item on the agenda of the uniform accounting subcommittee, which met in New York at the same time as did the blanks committee of National Assn. of Insurance Commissioners, was functionalization of certain operating expense classifications.

The industry UA committee indicated that while the business wasn't

unanimous as to the wisdom of functionalizing such expenses as printing, there would be general industry approval of a rule to allow such functionalization permissively.

The industry submitted examples of operating expense classifications amended to permit functionalization, employee relations and welfare, and printing and stationery.

The subcommittee, however, took no action but continued the subject on the agenda. James J. Higgins of the New York department is chairman of the subcommittee.

Nuckols Calls Survey Method Best Way to Sell

The survey method of risk and insurance analysis is "the greatest thing in the industry today," Jack A. Nuckols, Raleigh agency, Beckley, W. Va., told Aetna Casualty's sales course at Hartford.

This method, he cautioned, must not be used until the agent has acquired experience in handling individual claims. One of the best ways to win confidence of buyers, he added in this vein, is to demonstrate the value of expert counseling and efficient agency service.

Mr. Nuckols also is a member of the West Virginia senate and former chairman of the legislative committee of West Virginia Assn. of Insurance Agents. At the ceremony honoring Aetna Casualty graduates, highest award went to Vernon H. Struck, Fargo, N.D.

Adjustments on Cott Co.

Loss Handled by Several

At Cott Bottling Co., Somerville, Mass., the recent fire loss on building was adjusted by J. J. McDewitt of Boston and the Boston branch of General Adjustment Bureau. The contents, insured under a manufacturers output policy in Fireman's Fund, was adjusted by Daniel McCluskey, resident vice-president of Topliss & Harding, Wagner & Glidden at Boston, and the U&O loss is being handled by Clayton Kannair of GAB at Boston. The Archie Slawsky agency at Nashua, N. H., wrote the entire line of coverage on the plant.

Stumm Marine Supervisor of National at Newark

J. Theodore Stumm has been named marine supervisor by National of Hartford Group. He will assist field men and agents in production and handling of ocean marine, inland marine and multiple peril business in the New Jersey and Long Island areas from headquarters in Newark.

He formerly was with Fireman's Fund in Texas and New York, Aetna Fire, and Home. His father, Joseph F. Stumm, is with Associated Aviation Underwriters.

\$500,000 Hail Damage in Weatherford, Tex.

Hail in Weatherford, Tex. caused an insurance loss of about \$500,000 and subsequent rain may increase damage by several hundred thousand dollars, adjusters say.

Martin Is S. F. Speaker

Pacific Coast Fire Loss Assn. conducted its annual banquet this week at which the speaker was John Henry Martin of Standard Forms Bureau of San Francisco.

Two Named by Standard Accident

Standard Accident and Planet have appointed Leo J. LaPorte assistant manager of the Detroit claim department. David A. Larson, claim representative, was transferred from Minneapolis to Cedar Rapids.

Ga. Agents Card Ready for May 20-21 Annual

The program has been about completed for the annual convention of Georgia Assn. of Insurance Agents in Savannah May 20-21. A local board breakfast will start the meeting with Henry Wilson, president of Macon association, presiding. Subjects include handling municipal insurance, cooperation with fire departments and liability of city employees and municipalities for city owned motor vehicle damages.

After reports from the administration and committees, Joseph A. Neumann, Jamaica, N. Y., vice-president of NAIA, will speak. A rural and small lines agents forum will be held in the afternoon. Robert L. Bethea of Louisville will be moderator. Subjects include peculiarities in farm and suburban rating, hail insurance practices and advertising and public relations for the small town agent. A chuck wagon party and square dance will wind up the day.

State Rep. Carswell of Waynesboro will talk Friday morning, followed by an agency management panel led by W. S. Chandler, secretary Phoenix-Connecticut group. Three local agents will participate in the discussion of agency expenses, office short cuts, sales control systems, collections and reserves.

A skit on how not to operate an agency will be presented by Ed Johnson and John Stark of New York Underwriters with Mrs. Eunice Kennard, Macon agent, participating. At the annual banquet Commissioner Cravey will install officers.

Liberty Mutual Keeps Top Spot in Compensation Line

Premiums earned by Liberty Mutual in 1953 totaled \$228,890,261 as compared with \$196,380,589 the year before. Assets of \$355,715,455 reflected an increase of \$59,920,589. In writing \$118,203,285 in workmen's compensation during 1953, Liberty Mutual retained its position as largest WC writer in the country.

New Hampshire Names Martinaitis at Chicago

New Hampshire group has appointed Edward A. Martinaitis special agent in the western marine department at Chicago under the supervision of Marine Superintendent F. J. Fischer, Jr., with headquarters in the Insurance Exchange building. A marine corps veteran of the last war, Mr. Martinaitis has more than five years marine insurance experience.

San Diego Puddle to Meet

The April 30 splash of San Diego Blue Goose at the La Jolla country club will include a golf tournament followed by a dinner and initiation. New goslings will be included as charter members of the new San Diego pond which will be launched July 1; officers will be named at the April meeting. John H. Martin, MLGG from San Francisco will attend, as will some 15 or 20 from Los Angeles.

Brissman Joins K. C. Agency

D. N. Brissman, who for 12 years has been with Home, most recently as state agent at Detroit, has joined the C. O. Jones & Son agency of Kansas City in a production and fire engineering capacity. He is a graduate of Illinois Tech and attended the University of Minnesota.

Walker T. Harper and W. R. Hogan have joined the agency, Mr. Harper as

casualty safety engineer, and Mr. Hogan in a production capacity. Mr. Harper was formerly with Central Surety.

Bank Loss \$62,000, Mostly on Bad Checks

The bookkeeper and teller at National Bank of Wappingers Falls, N. Y., has been arrested and charged with embezzling a substantial sum, \$40,000 in insufficient checks put through by depositors, which she bundled up and put in the office safe as she got them, and \$22,000 which she took between 1949 and 1951 by falsifying bank records and crediting to her personal checking account.

The FBI quoted Mrs. Helena B. DeBerto, who had been bookkeeper and teller at the bank 21 years, as feeling sorry for depositors that put through checks their deposits were insufficient to cover. The money that she took for her own uses went into a luncheonette which subsequently failed.

Hartford Accident is on the bank's bond. Presumably there will be some salvage by surety in way of collections on the bad checks. Mrs. DeBerto received a salary of \$50 a week.

In recent years the number of bank embezzlements resulting from collusion between bank employees and outsiders, in which outsiders benefitted more than insiders, has increased.

\$100,000 Fire in N. Y. C. Bowling Alley, Building

A fire in Academy Bowling Alleys, in New York City, caused damages of \$102,500 to building and contents. Insurance loss to the building was \$50,000 for rents, \$25,000 to bowling alley, \$2,500 to an uninsured billiard parlor on the second floor, and \$25,000, including a months U&O, to the L. B. Foods on the first floor.

Dixie F. & C. to Increase Its Capital to \$1 Million

Dixie Fire & Casualty will increase its capital stock to \$1 million, which will be divided into 100,000 shares of par value of \$10.

Continental Casualty Names Saunders at Detroit

Continental Casualty has appointed Kenneth D. Saunders A&H manager at Detroit in its Ford building headquarters. A graduate of Dartmouth and a marine corps veteran of the last war, Mr. Saunders previously was for five years in the special risks division at the home office in Chicago.

New Board at Hays, Kan.

A new local board to be affiliated with Kansas Assn. of Insurance Agents is being formed at Hays. Twelve agencies attended the organization meeting and named Peter Storm of the Eastlock-Storm agency temporary chairman.

Minnesotans Hear Clark

R. B. Clark, secretary St. Paul-Mercury Indemnity, spoke at a dinner meeting of the Minnesota chapter of National Insurance Buyers Assn. in Minneapolis. The chapter will hold a golf party there June 22.

Garden Pond Hears Turk

Garden state pond of Blue Goose at its dinner meeting in Newark heard Nezhil Manyas, assistant director of the Turkish information office.

American Reinsurance has been admitted in Oklahoma for multiple lines. Burke Webb of the Webb agency, Oklahoma City, has been named general agent.

Sees Billion a Year Era for Inland Marine

Inland marine business may be expected to double its premium volume in the next five years and reach the \$1 billion level in the next decade, S. Curtis Bird, president of Tabor, Bird & Co. of New York, asserts in an article in the current issue of *Babaco News*, house organ of Babaco Alarm Systems.

Chief reason for this anticipated growth is the flexible nature of the business, under which a policy can be written for practically any given risk, according to the judgment of the underwriter. But, he cautioned, the underwriter has a definite responsibility to use good judgment.

"An individual or a business is not restricted in its coverage to rigid forms, many of which have no relation to individual needs or problems," he said. "I believe in judgment rating where a risk may be written on the basis of knowledge, research and know-how of the company and its underwriting staff. I believe, therefore, that this competitive and flexible nature of inland marine business must be preserved."

Dynamic loss prevention goes with judgment rating, he said, and here is the place where careless insured can be handled with deductibles, where premiums can be reduced if alarms are installed, insured with a drying tumbler and a knowledge of grounding

the static charge can be suitably rewarded. If the underwriter does not recognize the responsibility that comes with this freedom, he will certainly bring about regulation and interference and may eliminate the flexible nature of inland marine, he asserted.

"We must look beyond the immediate goal of getting more business for our companies," he said.

If theft prevention is overlooked in underwriting or safety standards are sacrificed for competitive purposes, the business puts itself in the position of being accused of acting against the public's best interest.

Commercial Union Group to Downtown Location

Work is scheduled to begin shortly on an 11-story building in New York City to house operations of Commercial Union group, which will occupy three floors. The entirely air conditioned structure, at 156 William street, will contain approximately 30,000 square feet of floor space. Occupation is anticipated in the spring of 1955. Negotiations are now under way with several other insurance companies for major space in the building. Commercial Union for some years has been located at 1 Park avenue. This move will bring the group into the insurance district.

David C. Stotenbur has purchased the business of the Sawyer agency of Grosse Pointe, Mich., following the recent death of Robert W. Sawyer. Mr. Stotenbur is consolidating the business with his own agency in new offices at 527 West Main street.

Edgett Is Secretary of New York Federation

Russell Edgett, for many years president of Thomas J. Hogan agency of New York City, has been appointed secretary of Insurance Federation of New York. He has been in the business since 1930 and in 1953 was president of New York City Insurance Agents Assn.

Managing General Agents of Midwest Set Meeting

Upper Midwest Assn. of Managing General Agents, comprised of Wisconsin, North and South Dakota and Minnesota, will meet April 23 at Minneapolis Athletic Club. The program as scheduled deals with underwriting, production, and managerial problems, including demonstrations of various types of office machines. There will be a wild game dinner the evening previous to the meeting for all members and their wives.

N. Y. Women to Meet

Federation of New York Insurance Women's Clubs will have its annual convention April 23-25 at Auburn. A driver education clinic sponsored by Massachusetts Bonding under the supervision of Conner Carroll, public relations superintendent, Milton Williamson, resident engineer at Albany and Judd Tebbutt, engineer, will highlight the convention. A skit written by

Pauline Eigabroadt, Margaret O'Connor, Anna E. Waugh and Edith Mason, performed by Mildred Sorenson, Edna Curtis, Theresa Fagan and Louie Mulligan will be directed by Harriet Vocheron. All are members of Insurance Women of Albany.

Dinner speaker will be Dr. Marguerite J. Fisher, associate professor of political science at Syracuse University, and Mrs. Hannah Jaffe, president of the state federation, will also speak. Mrs. Louise W. Merna is program chairman and Mrs. Marion M. Mosher and Mrs. Charles T. Dunnigan, all of Auburn, are co-chairmen.

Padded Repair Bills Cost R. I. Insurers \$1 Million

Padded bills for automobile repairs cost insurance companies \$1 million a year, a survey by two Providence newspapers has shown. The excess charts involve the collusion of thousands of motorists, tow truck operators, auto body repair shops and insurance adjusters, it was charged. Insurance men have estimated that 35% of the bills paid by insurers goes for faked charges.

N. C. Malpractice Rise

Commissioner Gold of North Carolina has scheduled a public hearing May 13 on national bureau's filing of proposed rate changes on malpractice liability. The rates proposed for North Carolina would go up 66.7% for physicians and surgeons and down 16.7% for dentists.

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Olmsted Talk and Boiler Panel Wind Up RMTC Meeting

Rocky Mountain Territorial Conference of National Assn. of Insurance Agents closed its meeting at Colorado Springs last week with a talk by Gen. G. H. Olmsted, Des Moines, chairman of Hawkeye-Security, on the international situation, a panel discussion of boiler and machinery insurance, and an unusual resolution. The resolution provided that no other resolution should be passed at this or any future meetings of the conference.

Gen. Olmsted, whose talk was entitled "You and Me and the Cold War," reviewed the international situation, showing how developments since 1945 have shaped the present situation and pointed out the favorable and unfavorable spots today. He said he thinks Red China is the greatest threat to peace today, because that country lacks the maturity of leadership such as Russia has, is used to peripheral wars and has the manpower to squander in war, and that the situation in Indo-China is extremely bad, because of political complications. Many other spots, he said, are much more favorable than they were even a year ago. In his opinion, this country must face a generation of peripheral wars and armed truces. For this era, he offered six specific suggestions: Do not fear Communism, because time is on our side, keep strong at home, build the strength and unity of the free world, expand management and technical assistance abroad, including insurance skills, develop a generation of Americans similar to the Roman pro-consuls, who can wisely stand on the difficult side of patience, tolerance and wisdom.

John Cline, Denver, manager of Hartford Steam Boiler, was moderator of the boiler and machinery panel. The other participants were Basil Leonoff, Denver, engineering supervisor of Employers Liability and Ed Morgenegg, Denver, resident engineer for Ocean Accident.

Mr. Leonoff discussed direct damage coverage, pointing out that power plant insurance produced \$60 million premiums last year and is fundamentally a very simple type of insurance to explain to a prospect. He said that the regular visits of inspectors are extremely good contacts with clients and that there are power plant insurance prospects, even in the smallest communities, such as creameries, dairies, cleaning establishments and buildings heated by steam boilers. Mr. Morgenegg discussed inspection service, for which about 50% of power plant premiums are expended. He said inspectors do not pretend to be any more competent than operators or manufacturers of boilers and other machinery, but they are specially trained to spot sources of trouble and many large insured carry this coverage primarily for the inspection service. Colorado agents outside of Denver and Pueblo, he said, now have an additional sales argument, because at the last session of the legislature the law requiring compulsory inspection of boilers by state inspector was amended to make inspection by an insurance company an acceptable substitute. Thus, a power plant insured is saved the state inspection fee and also the trouble of two inspections.

Mr. Cline discussed indirect damage coverages primarily, but also showed photographs of the damage done by a recent low pressure boiler explosion in

a school in New Mexico. He said use and occupancy insurance is essential for any business which needs its boilers or machinery to operate and pointed out that consequential damage coverage can be written for firms with stock which would spoil if heat or power were cut off. There was a lively discussion period, in which questions were raised about expediting charges, overlapping coverage in fire and power plant companies, and the proper ways to insure old and obsolete boilers.

The 1955 meeting will also be held at the Broadmoor hotel at Colorado Springs, April 21-24.

N. H. Agents Ready for Midyear Meeting May 6

The program of New Hampshire Assn. of Insurance Agents' midyear meeting in Manchester May 6 will feature a business meeting at which President John W. DeMerritt, Exeter, will give the administration report, Robert F. Babcock, Keene, state national director, will discuss meeting direct writer competition, and T. Winston Keating of Claremont, vice-president, will discuss the agency office staff and its public contacts.

Deputy Commissioner Simon Sheldon will review what's new in the insurance department, and Warren Bodwell of Manchester will moderate a panel featuring the following:

New earnings form, Charles Kuehn, New Hampshire Fire; business interruption, William Hutchins, America Fore; extra expense, Warren Wright, Aetna Fire group, and rent and additional living expense, Roy French of Fireman's Fund group.

Oklahoma Fire Prevention Assn. inspected Miami. There were representatives of 50 companies on hand.

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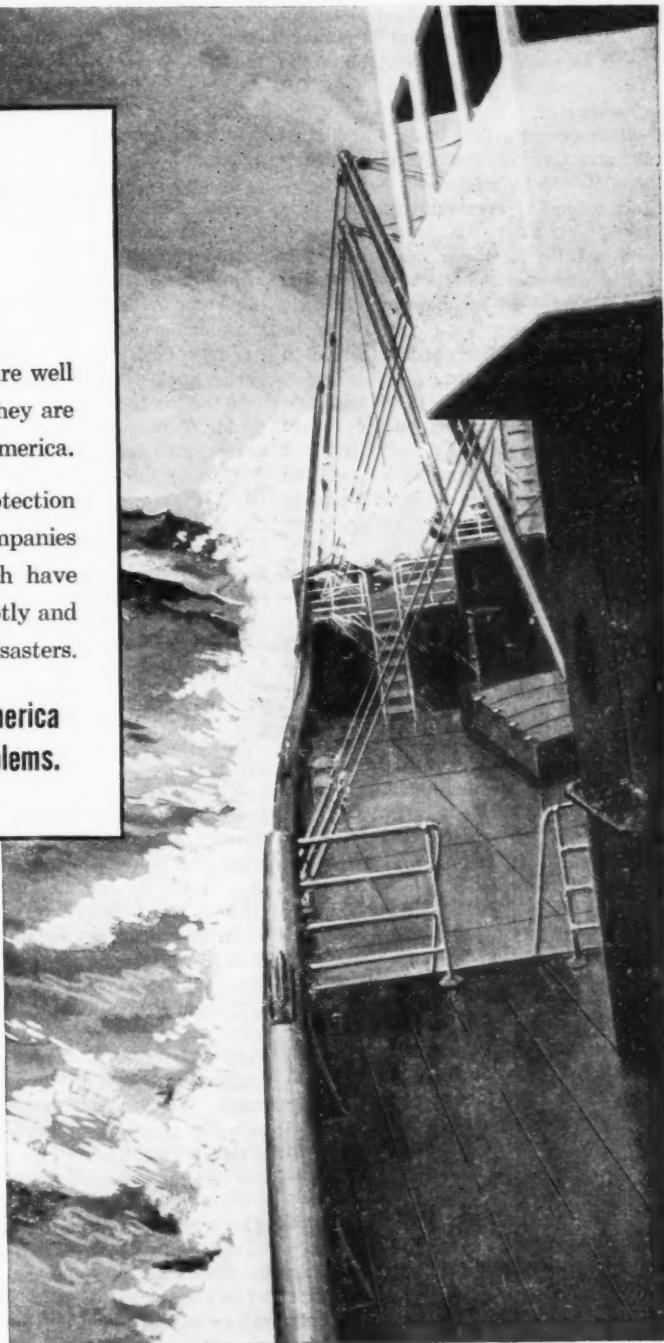
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EDITORIAL COMMENT

The Local Agent Lives with the Fine Type

When Commissioner Taft of Wyoming, at the Rocky Mountain Conference of National Assn. of Insurance Agents, urged local agents to sell hospitalization and medical expense insurance because it would be good for the public as well as good business for them, his remarks put into sharp focus an essential characteristic of the local agent in the distribution of insurance.

This characteristic is local availability and therefore responsibility. He is available to his customers; he is therefore subject to community responsibility.

Too little has been said about this quite important characteristic of the agent as a local business man, among all of the things that currently are being said about his particular role in insurance distribution.

Mr. Taft said that too much hospitalization and medical expense coverage is sold and written by specialists and an overwhelming proportion of the complaints received in the Wyoming department are directed at coverages not handled by agents.

The A&H business is the sore spot of insurance, the weakest point in public relations and the most vulnerable spot for federal intervention, Mr. Taft correctly pointed out. Local agency service is needed to sell this important business without misrepresentation, he added. Almost 60% of this business was written in Wyoming last year by 11 companies, excluding Blue Cross and Blue Shield, and nearly all the complaints his office received were from these contracts.

The services of local agents of casualty companies are badly needed, he declared.

Why?

Because the local agent, when he sells a policy, does not move on to other towns, other cities, to continue selling and selling alone. He does not get transferred. He continues to live with insured and the insurance he sold insured. He is there when there is a loss or claim. What he told insured when he sold him the policy, he must be ready to defend when insured calls upon the insurance to do what it was designated to do.

If the local agent is always available to his clients, his clients are always nearby to call him to account, not only for the promises he made for its future performance in order to sell it,

but for the promises the company made in its contract as well. He must live with the fine type in the contracts he sells.

If the contract does not deliver what either he or his company said or implied it would, he can expect local thundershowers of complaint and retaliation to break on his office down the street or in his home not far away.

This local availability exerts a powerful and constant influence upon the agent and upon his selection of company and contract, to avoid misrepresentation, to deliver at least as much as was promised and probably more, to make of a legal document, issued by an institution many miles away, a living, human instrument upon which the members of a community can rely in their desire for a reasonable security against the hazards of life.

If the kinds of insurance mentioned by Mr. Taft had all been sold by local agents, it is hard to conceive that today those lines would be under the fire they are. Conversely, it is likely that insurance lines, which traditionally have been sold and serviced over the years by local agents would have been a far different product had they been distributed by crews of specialty salesmen moving across the country, not to return to the scene of their selling, or had been placed by persons who were not likely to be around when the insurance came in for its testing by loss.

When insured buys insurance he is conferring on the local agent a distinction, if not a favor, the distinction of according him confidence and a belief in his integrity and the integrity of his product. To a degree this is the case when insured buys anything else, but it is to a lesser degree with almost everything else, because insurance is delivered, if at all, after, and perhaps long after, the promise is made. Yet when insured is in trouble, his house has burned down, or he has been in an automobile accident, or he has lost a valuable piece of property, he wants to deal with the person he knows. How can he expect to get a like return on the confidence he has placed in the seller, in as prompt and generous a form, from anyone except the person in whom he placed that confidence when the sale was consummated? How can he expect to get it from a stranger who has no local ties and who is, or may be, beyond the reach of the aver-

age citizen in the average community? Sure, he can get it, if he has to, by hiring a lawyer and perhaps going to court. But that kind of delivery of a product isn't what he bought when he went to a local business man to buy insurance. If he wants to rely on the bare bones of a contract and the non-humanized paper-only processes he could buy insurance by mail.

But a great many persons have bought and want to continue to buy insurance face to face with a local business man from whom they can get face to face satisfaction and service when there is a loss or claim.

One of the implications of Mr. Taft's remarks is that local agents don't sell enough insurance to enough persons. We think this point can be elaborated. There is nothing wrong with the local agent except that he doesn't do enough of what he knows how and is in a position to do.

PERSONALS

In the contest for control of the New York, New Haven & Hartford railroad, in which Patrick B. McGinnis was successful in gaining control, **Morgan B. Brainard**, head of Aetna Life group, was replaced as chairman but will remain a member of the board. He is a supporter of Fredric C. Dumain, who has been president and who was contesting with McGinnis for control.

Lord Middleton, chairman of Yorkshire, Ltd., England, parent company of the Yorkshire group, and **H. T. Silversides**, general manager, are visiting the U. S. and Canada. Their itinerary includes Chicago, Toronto and Montreal. Lord Middleton joined the board of Yorkshire in 1927 and became chairman in 1944. Mr. Silversides formerly was U. S. manager and president of the U. S.-domiciled companies.

Richard T. Magner, vice-president of the Meeker-Magner Co. agency at Chicago, is vacationing with his wife and son in Miami Beach, Fla. He plans to visit relatives in Havana, Cuba, before returning to his office the middle of May.

Miss Mildred Elliott of Upper Montclair, N. J., a broker with Lethbridge-Owens & Phillips, New York City, and **David A. Butterworth**, manager of the subrogation department of Pacific Fire, are to be married in the Coconut Grove, Miami, April 24.

William A. Marbury, Jr., local agent of Ruston, La., has been appointed a board member of the general managers of American Management Assn.

R. J. Mayle, who has resigned as Pacific Coast manager of Globe & Rutgers, is organizing an investment company in the San Francisco Bay area with a capitalization of \$500,000.

Mr. Mayle was for 20 years with Pacific National Fire, resigning as vice-president in 1949 to join Globe & Rutgers as its coast manager. He founded Santa Clara Associates, a mutual investment company and was its president for four terms.

Hawley T. Chester, senior partner of Chubb & Sons, has been named a director of Pennroad Corp., a holding company. He is also a vice-president and director of Federal and Vigilant and a director of Underwriters Salvage Co. of New York.

Lawrence N. Pratt, fire rating analyst of Rhode Island insurance department, is convalescing at home after suffering a heart attack. He has been hospitalized for several weeks.

Howard L. De Mott, attorney for American International Underwriters, was one of 12 air force reservists in the New York City area to be promoted from the rank of captain to major.

Leonard Poor, assistant manager of Missouri Inspection Bureau, is now a grandfather. Timothy James Poor was born Easter Sunday in New York City.

John Stuart, comptroller of Texas Employers' Association and Employers Casualty, has been named president of the Dallas chapter of National Management Assn.

Harvey B. Nelson, Jr., Jersey City local agent, has been nominated for president of the New Jersey society of Sons of the American Revolution.

W. L. Lindsey, assistant manager of Pacific Fire Rating Bureau, Los Angeles, was honored with a dinner celebrating his 50 years with the bureau.

DEATHS

RICHARD H. McLARRY, 46, head of the Dallas recording agency bearing his name and former president of both the Dallas and Texas Assns. of Insurance Agents, died following a heart attack. Mr. McLarry had also served for about 13 years as chairman of Dallas Placement Board, which handles the insurance accounts of various city and county properties for the association.



Richard H. McLarry

DONALD T. WILLIAMS, 30, local agent at Hartford, took his life by inhaling carbon monoxide gas at his home in West Hartford, Conn. He was a partner in the agency founded by his father, the late Fred H. Williams.

C. WENDELL HARDY, who was elected assistant secretary of New Hampshire Fire and Granite State Fire of the New Hampshire group last year,

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died of a heart attack at his home at Goffstown, N. H. He also was head of the group's claim department at the time of his death. He joined the company in 1918 and in 1946, after several field promotions, became general adjuster.

WALTER S. WASHBURN, executive adviser of the southeastern department of Underwriters Salvage of New York, died in Atlanta. He was with the company 49 years, working in the New England and New York departments before transferring to the south. He had been general agent in the southeastern department before becoming executive adviser.

THOMAS T. ALDWELL, 85, pioneer agent of Port Angeles, Wash., died. The business of his agency, known as Thomas T. Aldwell & Co., is being continued by his partner of many years, William Wenner.

MISS ROBERTA ROGERS, 72, organizer and treasurer of Weston Carolina agency at Asheville, N. C., died of burns sustained at her home. She had been a local agent for 30 years.

HAROLD H. JOHNSTON, 77, editor and analyst of Best Insurance Guide with Key Ratings, published by Alfred M. Best Co., died at Madison, N. J. He was with the insurance report publishing company for 53 years and retired in 1952.

FRANK H. ENGLEHARDT, 67, local agent at Rochester, N. Y., died. He became head of the agency there in 1914 following the death of his father, Edward Englehardt, who founded it in 1900.

JAMES W. KENT, president of the Murray-Kent agency at Springfield, Mo., died. He was an honor graduate of Illinois Tech, and started in business with Missouri Inspection Bureau. After 10 years he went with National Fire as special agent in Missouri except for St. Louis, and then about 1943 became a local agent at Springfield. He was chairman of the fire prevention committee of the Missouri agents association.

W. TED HUFF, Tennessee state agent for Security of New Haven, was killed in a head-on collision while driving from Memphis to Nashville, where he had made his headquarters. Mr. Huff had been with Security 18 years and before that with Aetna Fire and Hartford Fire. He was past most loyal gander of Tennessee Blue Goose.

JOHN M. KERESSEY, 60, account executive of Johnson & Higgins, New York City brokers, died after a heart attack at Atlantic City, N. J., where he was spending the Easter holidays.

He organized Thomas & Mortimer agency in New York City in 1931 and directed it until 1948, when he joined Johnson & Higgins.

ISIDOR BERGER, 85, president of Greater New York Taxpayers Mutual since 1941, died in New York City.

CHARLES F. PACKARD, 87, Greenfield, Mass., local agent, died. He had been in insurance 60 years.

WILLIAM J. FENNELL, executive assistant of Factory Insurance Assn. since 1946 and with FIA since 1918, died in Hartford after a long illness.

MRS. BERTHA BARTHOLOMEW, wife of the late V. H. Bartholomew, former resident vice-president in Chicago for Standard Accident, died at St. Petersburg, Fla.

WILLIAM B. OLDHAM, 61, Knoxville, Tenn., local agent, died.

Convention Dates

May 2-4, New York Agents, annual Syracuse.
May 3-5, Insurance Accounting & Statistical Assn., annual, Adolphus and Baker hotels, Dallas.
May 3-6, H. & A. Underwriters Conference, annual, Hotel Roosevelt, New Orleans, La.
May 6-7, NAIC zone 2, Dupont hotel, Wilmington, Del.
May 6-8, Louisiana Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
May 10, Vermont Agents, spring meeting, Woodstock Inn, Woodstock.
May 11-13, Iowa Agents, annual, Des Moines.
May 14, Ohio Assn. of A&H Underwriters, annual sales congress, Columbus.
May 14-15, Oklahoma Agents, annual, Mayo hotel, Tulsa.
May 14-15, Texas Agents, annual, Texas hotel, Fort Worth.
May 17-19, American Assn. of Managing General Agents, annual, Chamberlin hotel, Old Point Comfort, Va.
May 17-21, National Fire Protection Assn., annual, Hotel Statler, Washington, D. C.
May 19, National Automobile Underwriters Assn., New York City.
May 19, Midwestern Independent Statistical Service, LaSalle hotel, Chicago.
May 19-21, Georgia Agents, annual, General Oglethorpe hotel, Savannah.
May 19-21, North Carolina Agents, annual, Pinehurst.
May 20-21, Arkansas Agents, annual, Arlington hotel, Hot Springs.
May 24-26, American Management Assn., insurance division, Hotel Statler, New York City.
May 24-26, Virginia Agents, annual, Cavalier Club, Virginia Beach.
June 5, NAIC zone 4, Sheraton-Cadillac hotel, Detroit.
June 7-9, Southeastern Underwriters Assn., annual, Hot Springs, Va., the Homestead.
June 7-11, National Assn. of Insurance Commissioners, annual, Sheraton-Cadillac hotel, Detroit.
June 10-11, Missouri Assn. of Mutual Insurance Agents, Chase hotel, St. Louis.
June 12-16, International Assn. of A & H Underwriters, annual, Omaha.
June 14-15, Eastern Underwriters Assn., mid-year, Farragut hotel, Rye Beach, N. H.
June 21, Connecticut Agents, midyear, Hotel Griswold, Groton.
June 24-26, National Assn. of Independent Insurance Adjusters, annual, Claridge hotel, Atlantic City.
Aug. 11-14, Federation of Insurance Counsel, Schroeder hotel, Milwaukee.
Aug. 15-17 Wyoming Agents, annual, Crescent hotel, Sheridan.
Aug. 29-31, Washington Agents, annual, Davenport hotel, Spokane.
Sept. 1-3, Oregon Agents, annual, Klamath Falls.
Sept. 10-12, New Mexico Agents, Alamogordo hotel, Albuquerque.
Sept. 11-14, Pennsylvania Agents, annual, Bellevue-Stratford hotel, Philadelphia.
Sept. 13, Vermont Agents, annual, Equinox House, Manchester.
Sept. 13-15, International Claim Assn., annual, Wentworth By-the-Sea, Portsmouth, N. H.
Sept. 16-17, Minnesota Agents, annual, Hotel Duluth, Duluth.
Sept. 17-18, Louisiana Assn. of Mutual Insurance Agents, annual, Lake Charles, La.
Sept. 17-18, New Jersey Agents, annual, Haddon Hall hotel, Atlantic City.
Sept. 17-18, Texas Assn. of Mutual Insurance Agents, San Antonio.
Sept. 18-22, Idaho Agents, annual, Sun Valley.
Sept. 21-24, Mutual Loss Research Bureau, mutual loss managers' conference, Statler hotel, New York City.
Sept. 27-30, Western Underwriters Assn., semi-annual, 75th anniversary, Greenbrier hotel, White Sulphur Springs, W. Va.
Sept. 29-Oct. 1, National Society of Chartered Property and Casualty Underwriters, annual, Palmer House, Chicago.
Oct. 4-7, National Assn. of Insurance Agents, annual, Conrad Hilton hotel, Chicago.
Oct. 16-19, Arizona Agents, annual, Pioneer hotel, Tucson.
Oct. 18, Rhode Island Agents, annual, Sheraton-Biltmore hotel, Providence.
Oct. 18-19, Arizona Agents, annual, Tucson.
Oct. 18-20, Wisconsin Agents, annual, Hotel Schroeder.
Oct. 20-22, Insurance Accountants Assn., annual, Hotel Kenmore, Boston.
Oct. 24-26, Missouri Agents, annual, Sheraton hotel, St. Louis.
Oct. 25-27, California Agents, annual, Palace hotel, San Francisco.
Oct. 28, Connecticut Agents, annual, Hotel Statler, Hartford.
Nov. 9-10, Mutual Insurance Agents of New England, annual Boston.
Nov. 15-17, Indiana Agents, annual, Claypool hotel, Indianapolis.
Nov. 29-Dec. 1, Southeastern Underwriters Assn., semi-annual, Pinehurst, N. C., Carolina hotel.

Vt. First with an EC Manual; \$50 Deductible Mandatory

A new separate manual for extended coverage, AEC and windstorm and hail rates has been introduced in Vermont, effective May 3, by New England Fire Insurance Rating Assn. A \$50 wind and hail deductible clause has been made mandatory and the former 12-cent full cover EC rate is continued for the deductible. Rhode Island, Massachusetts, and Connecticut also have a \$50 mandatory EC deductible.

In the manual EC rates are simplified and the old classification of fire-resistive with less than two floors is dropped and all risks in that class are placed in the "all other class". This brings Vermont EC into line with other jurisdictions.

Reductions are made in fire-resistive buildings, occupancy classes B, C and E, and the former occupancy classes of F and G. The latter now assumes the new reduced E rate of 25 cents. Special classes, formerly rated only on application, now are included in the manual. There are no more EC penalty charges for large areas. Vandalism and malicious mischief rates are reduced and the number of classes is cut from five to three.

The 55-page manual probably will be introduced in other New England states later. So far as is known, this the first separate EC manual issued by any rating organization. For the first time there is included in the EC rates and rules a "restricted use" notice forbidding unauthorized use of the information. This reflects the current controversy over use of rating bureau material by independent filers.

The provision reads: "This publication is the property of the New England Fire Insurance Rating Assn. and may not be reproduced in whole or in part without written permission of this association. This publication is compiled, distributed and maintained as a service to our member and subscriber companies and their agents and brokers."

Lebby to Open Enlarged Offices in Los Angeles

LOS ANGELES—William E. Lebby, California state manager for Massachusetts Indemnity, will open his new and enlarged offices at 4720 Wilshire boulevard April 26. Mr. Lebby will hold a full week of open house during which agents and brokers of Los Angeles county are invited to visit the agency and learn of facilities offered in non-can A & H. Each visitor will receive a gift.

Needham Is Named V.P.

Raymond Needham has been elected vice-president of Ferris & Dunne, managing general agency, with headquarters in Los Angeles. Mr. Needham began in insurance at Ventura, Cal., in the local agency business in 1925. Subsequently he was with Loyalty group and Glens Falls, in 1946 becoming Los Angeles manager for Phoenix of London group. About a year ago he returned to the local agency field with the Russell A. Quisenberry agency in the San Fernando Valley.

Heads N. Y. Mariners

William E. Myers, Commercial Union, was elected skipper of New York Mariners Club, at the annual meeting in New York City. Other officers are Frank J. Richardson of Talbot, Bird & Co., first mate; F. A. Gelderman of

Fireman's Fund, purser, and Edward A. Faust of Atlantic Mutual, yeoman. Henry J. Eisenreich of Security of New Haven and William E. Lowe, Boston, were elected directors. W. B. Bolton of Marine Office of America, was named chairman of the program committee and Francis C. Witham of Home, chairman public relations committee. Howard W. Nugent of Pinkerton's National Detective Agency will speak at the May 19 meeting.

Washington, D. C., I-Day Slated for April 30

On the program for Washington, D. C., I-Day April 30 are William H. Brewster, manager of the automobile department of National Bureau of Casualty Underwriters and W. Hugh Hunter of America Fore, and E. J. Seymour, president of National Assn. of Insurance Agents. President of the association is A. L. Jagoe and I-Day chairman is Huntington T. Block.

Commercial Union Seeks Former Suspect's Funds

Commercial Union, contending it had paid \$681,700 to the Federal Reserve Bank of Boston on March 26, 1952, the day after the Danvers, Mass., armored truck robbery of that amount, filed claim in federal district court at Boston to \$10,348 seized in the home of a former suspect.

Court officials said the acquittal of George D. O'Brien, Quincy, in the robbery, had no bearing on the civil suit brought by the company and stated that Commercial Union also could bid to convert into cash the \$19,500 O'Brien home, two family cars and other assets.

The company said it acted upon information that O'Brien had full knowledge that the cash found in his home had been stolen.

White to Aetna Fire

Roland C. White has been named casualty special agent by Aetna Fire group in Arizona. Mr. White had been six years with Hartford Accident as an underwriter and casualty field man. He will have headquarters in Phoenix, where he will be associated with Warren Smith, superintendent of agencies.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co. 135 South LaSalle st., Chicago, April 20, 1954.

	Div.	Bid	Asked
Aetna Casualty	3.00*	133	137
Aetna Fire	2.40	57 1/2	58 1/2
Aetna Life	2.50*	110 1/2	112
Agricultural	1.60	32	32 1/2
American Auto	2.00	51 1/2	53 1/2
American Motorists	.24	8 1/2	9 1/2
American Surety	3.00	58 1/2	59 1/2
Boston	1.40	37	38
Camden Fire	1.10*	24	24 1/2
Continental Casualty	2.60	121 1/2	123 1/2
Crum & Forster com.	1.80	50 1/2	51 1/2
Federal	.60	31	31 1/2
Fire Association	2.20	47 1/2	48
Fireman's Fund	1.80	57 1/2	58 1/2
Firemen's (N. J.)	1.00	30	31
General Reinsurance	1.60	45 1/2	46 1/2
Glens Falls	2.00	66 1/2	67 1/2
Globe & Republic	.80	16	16 1/2
Great American Fire	1.60	35 1/2	36 1/2
Hartford Fire	3.00	152	154
Hanover Fire	1.80	38	38 1/2
Home (N. Y.)	2.00	40 1/2	41 1/2
Ins. Co. of No. America	2.25*	88 1/2	90
Maryland Casualty	1.20	29 1/2	30 1/2
Mass. Bonding	1.60	26	26 1/2
National Casualty	1.50*	29	30
National Fire	3.00	77	77 1/2
National Union	2.00	41	41 1/2
New Amsterdam Cas.	1.50	44	44 1/2
New Hampshire	2.00	43	43 1/2
North River	1.40	33 1/2	34
Ohio Casualty	1.55*	69	72
Phoenix Conn.	3.40	104 1/2	105 1/2
Prov. Wash.	1.50*	26 1/2	27 1/2
St. Paul F. & M.	1.00	40	40 1/2
Security, Conn.	1.70*	39	39 1/2
Springfield F. & M.	2.00	50 1/2	51 1/2
Standard Accident	1.80	47	48
Travelers	19.00	1150	1170
U. S. F. & G.	2.00	70 1/2	71 1/2
U. S. Fire	1.80	44	45

*Includes Extras.

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N. Y. Auto Record Worse in 1953; Outstate, Illegal Driver Score

The traffic accident story in New York state in 1953 was worse than in 1952 on all counts. The mileage death rate increased from 5.8 to 6.1 after consistently showing a downward trend since 1943.

Personal injury accidents were up 3% to 114,062; deaths up 8% to 2,271, and injuries up 3% to 116,469. Property damage accidents increased 2% to 219,704, and the approximate cost went up 4% to \$85,890,000.

Registrations reached a new peak of 4,328,125, increase 5%; licensed drivers totaled 5,936,315, up 4%.

Out of state drivers were involved in 199 fatal and 6,452 non-fatal accidents and in 11,790 property damage accidents. Unlicensed drivers were involved in 67 fatal, 1,206 non-fatal and 537 PD accidents. Speed exceeded all other violations in fatal and personal injury accidents; did not have right of way was next highest violation in non-fatal accidents but was of highest frequency in property damage.

Houston F.&C. Makes Several Changes

Houston Fire & Casualty has made the following changes: James H. Poole, regional supervisor in west Texas, goes to the home office as manager of the special risks department and will concentrate on development of inland marine, fidelity and surety.

Fred Y. Bell of the W. A. Bell agency in Brownwood, becomes special agent for the Texas Panhandle, with headquarters at Lubbock. Howard W. Webb, special agent of Dallas and east Texas, is now supervisor of sales at the home office. Ray Eller becomes special agent in Mr. Webb's territory. He was special agent in San Antonio and later a WC and general liability underwriter.

Form 1752 Club in La.

Louisiana 1752 Club was organized at a meeting of mutual fire and casualty field men at Alexandria, La. Officers elected were: President, Earl Brown, Millers Mutual Fire; vice-president, John Manifold, Grain Dealers Mutual Fire; secretary-treasurer, Eugene Ross, Norfolk & Dedham Mutual Fire.

Clinics to be held for Louisiana mutual agents have been set for the following dates and locations: May 10, New Orleans; May 11, Baton Rouge; May 12, Jennings; May 13, Alexandria.

Dennant Office in Conn.

Lumley, Dennant & Co., reinsurance intermediaries of New York, has opened an office at Westport, Conn. headed by Peter Dennant, at 2 Taylor place, for operations in Connecticut. This year's legislature passed a surplus lines law.

Clermont (O.) Assn. Meets

Clermont County (O.) Assn. of Insurance Agents heard Raymond Douglass, Agricultural, discuss "Community Benefits of Close Co-operation Between Capital Stock Companies and Local Agents" at the April meeting. Members of Clermont Banker's Assn. were guests for the evening.

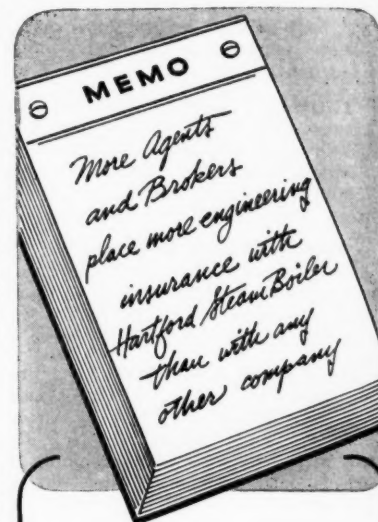
Crime Prevention Panel

New York chapter of National Insurance Buyers Assn. at its April 22 luncheon in New York City will hear a panel discussion on the present trend of property loss crime in manufacturing and commercial fields, and the remedies of prevention and investi-

gating methods available following a loss. Walter L. Flynn, manager of the insurance company service department of William J. Byrnes International Detective Agency, will be the moderator.

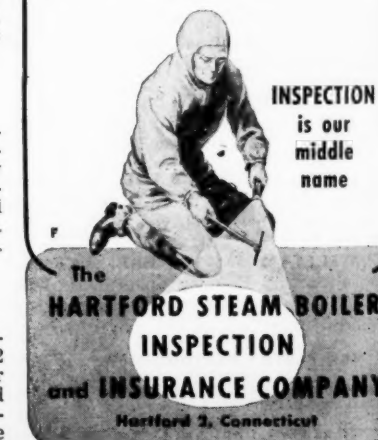
Members of the panel, all from the detective agency, are John J. Lannig, Francis D. Murphy, and William T. Morley.

Cincinnati Ins. Co. placed its stock on a dividend paying basis April 1 by distributing 50 cents a share to stockholders.



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New Be E

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New WC Policy Will Be Effective Oct. 1

The new standard provisions policy of workmen's compensation and employer's liability, as promulgated by National Council on Compensation Insurance, will become effective Oct. 1.

The policy has been filed in those states and territories which have approved the forms filing program of the council, and of them, all have approved it except Arizona, California, Kentucky, New York and Pennsylvania, where it is pending. In the case of Oklahoma, the forms filing program covers only endorsements. Each company must file its policy in that state. The remaining seven states have compensation monopolies, Ohio, North Dakota, Nevada, Oregon, West Virginia, Wyoming and Washington.

The policy eliminates necessity of an endorsement citing the WC law under which coverage is to be provided and requires instead merely the entry of the name of the state in the appropriate place on the declarations. This automatically affords coverage for all operations in the state which are not specifically excluded or otherwise insured.

This is the first revision of the standard WC policy since its introduction more than 35 years ago. It includes employer's liability coverage for bodily injury by "disease", representing a broadening of the occupational disease coverage which is presently afforded by endorsement. The majority of policies issued to the average risk now can be written without endorsements, but because of certain statutory requirements, manual rules or underwriting practices, a limited number of endorsements will continue to be necessary.

The policy follows national standard provisions for liability policies in being divided into four main parts, declarations, insuring agreements, exclusions and conditions. The language of comparable provisions in the liability policies has been adhered to as much as possible, thus affording consistency to insured purchasing both coverages.

The new standard provisions, an explanation of them and of the forms filing program, together with endorsements soon to be released, will comprise a complete manual of WC and employers' liability policy and endorsement provisions.

Max Named to New Post

Raymond C. Max has resigned as engineer of Wisconsin and upper Michigan in the Milwaukee office of Factory Association to become president of Azco Fire Protection, Inc., of Appleton, Wis.

Management Institute in Wis.

The University of Wisconsin, in cooperation with Wisconsin Assn. of Insurance Agents, has scheduled an advanced agency management institute on the campus June 28-30. Nine instructors will discuss topics bearing on the proper management of fire and casualty agencies.

Tex. Employers Names Three

Texas Employers and Employers Casualty have named three home office men department managers: R. S. Stephens, assistant secretary and manager of the automobile underwriting department, to head of the agency department to succeed Harry C. Smith, Jr., vice-president who is retiring in

January; Claude F. Pipes manager of the safety engineering department to succeed Mr. Stephens, and Edwin B. Locke, superintendent of engineers, to manager of the safety engineering department.

Texas WC Pool Report Given

Texas WC assigned risk pool completed its first six months of operation, April 1, by handling 497 risks with aggregate annual premiums of \$598,600. Surcharges were imposed on only 92 of the assigned risks. For the most part the pool is giving one-day service on applications, it was announced.

Seek Commissions on Conn. Assigned WC

The executive committee of Connecticut Assn. of Insurance Agents will explore the possibilities of getting commissions for Connecticut agents on workmen's compensation assigned risks. The study will take the form of a questionnaire distributed to agents in the state and results will be reported to National Council on Compensation Insurance.

Five states now allow commissions to agents for handling this type of insurance: Louisiana, Mississippi, New

Hampshire, Vermont and Maine. The Connecticut association has bulletined its members that "success has come only after a long hard fight" in these states and asks for 100% cooperation.

Questions the agents are being asked to answer are: Are you handling any compensation assigned risks? How many risks per year? What is the average size of risks handled? What is the average amount of time spent in processing each risk? Do you have to use the services of an attorney in processing these risks? If you do, what is the fee charged? Is there any other information that you can give that would be helpful to the committee?

HOW TO GET
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Many an agent has been discouraged from selling Inland Marine Insurance on his clients' personal articles because the commissions on the individual policies are often small. Few agents can sell Personal Property Floaters to every client. Now there's an answer: the Personal Articles Floater.

It covers, in one policy for one premium, cameras and photographic equipment, fine arts and antiques, golfers' equipment, personal furs and jewelry, musical instruments, silverware, and stamp and coin collections. Most personal clients have two or more of these types of property. They should be covered by a practically all-risk policy — the Personal Articles Floater.

With this new form there's only one minimum premium — particularly important where one or

two of the classes involve only a few hundred dollars of value. From the policy-writing, book-keeping and billing standpoint, you're far better off with three or four of these covers in one policy. It can be written on a three-year basis for 2½ annual premiums if paid at one time, or with a very small carrying charge if written with three annual installment premiums. You needn't hunt so hard for prospects as with individual forms because a large proportion of all personal insureds are prospects. The Personal Articles Floater combines perfectly with either the new Home Owners Policy or Fire, Extended Coverage and Residence Theft on contents — and gives far broader protection on these articles than is possible in the home owners' or ordinary fire and residence theft forms.

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We have just released a new issue of our Agency Sales Bulletin that tells what you need to know to promote and sell this attractive package-policy. There's a new, fully-illustrated three-color folder, a letter for prospects, some important suggestions on what to say in selling, and a new Inland Marine

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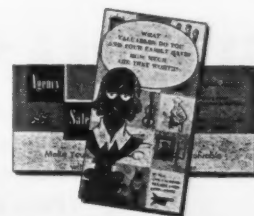


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FCIC Expansion, Interest by Private Company, Reported

Geographical expansion of the federal crop insurance program, a new type of multiple-crop coverage and news that at least one private company is considering entering the field formed the crux of statements made this week by Charles S. Laidlaw, manager of Federal Crop Insurance Corp.

Severe losses in Minnesota, Montana and the Dakotas, in the wheat belt of the nation, could cost the agency \$100 to \$500 million, Mr. Laidlaw told a House subcommittee, and he declared his intention to spread the risk over a larger area. He said no one has as yet come up with an insurance program that fits the needs of the small farmer, toward whom the crop program originally was directed, and "our people here and in the field are working on it constantly."

To offset the current unpopularity of some farmers with a multiple crop program now in effect, a new type will

be offered some farmers in Iowa and Indiana, he said. Policies will be offered that will cover all crops and provide payment for losses on any one of them. Under the present multiple plan, all a farmer's crops must be damaged before he is able to collect on any one of them.

FCIC also is studying the possibility of more protection for midwestern corn growers, who now cannot insure their crops for more than the cost of production. Recent studies of corn production costs have prompted this, the manager said.

One private insurer is quite seriously considering entering the field, he said. It probably will not cover one or two of the crop hazards insured by government policies, Mr. Laidlaw said, and probably will operate only in better farming areas. He did not disclose the name of the company.

Thefts Bring Huge Losses

Property stolen in U.S. in 1953 in 400 cities was valued at \$224,552,605, according to the FBI uniform crime report. The average robbery loss was \$222, burglary loss \$163 and theft of property, other than automobiles, \$76.

A. M. A. Insurance Program Completed

Additional speakers have been announced for the insurance section of American Management Assn. at New York City May 24-26. The first list appeared last week.

A "President's Panel" the morning of the first day, at which three top executives of insurance companies will point to trends in fire and extended coverage, casualty and fidelity and surety, will be composed of Marshall B. Dalton, Boston Manufacturers Mutual; Wilson C. Jainsen, Hartford Accident, and Ellis H. Carson, National Surety.

Two afternoon speakers will be D. C. Buell, 3rd vice-president of Metropolitan Life, who will discuss "Continuing Benefits for Retired Employees", weighing limitation of costs through a method of prepayment against gradual reduction of benefits in face of an increasing number of pensioners, and J. M. Sweitzer, vice-president and general counsel of Employers Mutuals of Wisconsin, whose talk, "Interpreting the Comprehensive Liability Contracts", will indicate the expanding area of liability being created by legal rulings and cover the meaning of the basic contract and its amendments.

Chairman Monday afternoon, the first day of the meeting, which will be devoted to "Trends in the Insurance Industry", will be Bert W. Nichols, Standard Oil of Ohio. Joining that morning with James C. Christy, Upjohn Co., will be James M. Cooper, Nash-Kelvinator Corp., who will discuss "Organizing the Insurance Department for Efficiency", covering the insurance manager's sources of advice, information and extra help. Chairman will be George A. Mearns, Sunshine Biscuits.

Tuesday afternoon a panel discussion on "Solving Problems of Fire Coverage—A Case Study" will have as Chairman E. M. Morgan, Jr., Robin and Haas, Philadelphia, and participants will be H. Walter Johnson, Sun Oil Co.; Robert M. Young, Scott Paper Co., and Walter C. Feimster, Jr., adjuster at Philadelphia.

The conference will be opened by Lawrence A. Appleby, president of AMA. Among members of the insurance planning council are L. R. Pierson, vice-president of Marsh & McLennan; Herbert P. Stellwagen, executive vice-president of North America, and Mr. Dalton.

Minn. CPCUs Plan Clinic for Buyers at Minneapolis

A clinic for insurance buyers has been slated for May 4-5 at the University of Minnesota. The sponsor is Minnesota chapter of CPCU, which hopes to acquaint buyers with the elements of a sound property and casualty insurance program.

Talks will be given by William Peet of Marsh & McLennan on insurance buying, E. N. Crapu, Northern States Agency, on casualty exclusions; Walker Groetzinger, St. Paul F. & M., dishonesty coverages, and Henry A. Stone, North America, new property coverages.

Rules Changes in Illinois

Several rules revisions recently effected in other states now have been made in Illinois. The \$50 deductible provision under additional extended coverage has been made optional, re-

placement cost insurance may now be written on dwellings and it now is permissible to transfer insurance on a dwelling to another dwelling at a different location. Several other minor changes also were made.

Continue Study of U. S. Autos, Might Insure

WASHINGTON—The Department of Defense has reported to Senator Kilgore's subcommittee that the army, navy and air force have about 250,000 passenger carrying motor vehicles, not including tanks. The information was gathered in connection with Kilgore's survey for the Senate judiciary committee in view of the possibility of buying commercial insurance for government-owned vehicles as an alternative to continued payment of heavy damage claims arising out of accidents. In the Potomac naval command alone, which includes the Washington area, the navy is said to own and operate 6,000 to 9,000 autos.

To develop a plan to insure government vehicles, it is necessary to know how many and where they are, Howard Starling, Washington representative of Assn. of Casualty & Surety Cos. pointed out.

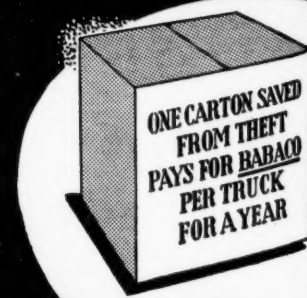
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Fireman's Fund Elects McCowan and Manuel

Jack B. McCowan, secretary of Fireman's Fund, has been elected secretary-treasurer, and Donald E. Manuel has been named assistant secretary.

Mr. McCowan is assuming the duties of John S. Selfridge, treasurer, who is



D. E. Manuel



J. B. McCowan

about to retire under the company's retirement program. A business graduate of Stanford university, Mr. McCowan started with Fireman's Fund as personnel manager in 1947. He was elected secretary of all companies the next year.

Mr. Manuel graduated from the business school of the University of California. He was in the air force during the war, and joined Fireman's Fund in 1950 as a security analyst.

Blackhawk Mutual Is New Rockford Auto Insurer

Blackhawk Mutual has been organized at Rockford, Ill., to write full coverage automobile on the agency system. The company has a guaranty fund of \$100,000 and \$50,000 in surplus. It will write at bureau rates, although it has made its own filing. It is a member of National Assn. of Independent Insurers.

Robert W. Kuedler, a Rockford attorney, who was formerly with Employers Mutual of Wausau, is the president of Blackhawk Mutual, and Norman R. Grile is vice-president and secretary. He has been with Liberty Mutual and for four years has been with the Town & Country agency of Rockford.

Unlicensed Company Tries Mail Orders in N. Y.

Superintendent Bohlinger of New York has warned New Yorkers to beware of buying insurance from companies not licensed in the state. Nearly every car owner in the state has received a circular advertising a limited A&H policy from Automobile Owners Safety Ins. Co., a Kansas City, Mo., company, the insurance department said. The company is licensed in Missouri, its home state, and is apparently using a Chicago mailing house. Hundreds of calls concerning the circular have been received by the department and Better Business Bureau of New York.

In December the state had another case of an unlicensed company, Saskatchewan Fidelity & Guarantee attempting to do business in the state, particularly with cosmetologists and plumbers.

Two Bond Men Promoted on Coast by United Pacific

Daniel T. Monaghan, assistant vice-president, has been placed in charge of production and underwriting of bond business in the Pacific northwest for United Pacific of Tacoma. Mr. Monaghan has been at Kansas City as assistant bond manager. Before joining United Pacific in 1949 he was for 17 years in the bond business in New

York City, mostly with National Surety.

Paul R. Downs has been named assistant manager of the bond department at San Francisco. He has been at the home office, and before joining the company in 1941 was with Home Indemnity at New York.

Anderson Speaks at Waco

T. C. Anderson, vice-president of Griffiths Tate, Ltd., of Chicago, is addressing the midyear meeting this week of Texas Assn. of Mutual Insurance Agents at Waco. His subject is "The Romance of Lloyds."

Fire Losses up 1.6% in March, 7.5% for Year

NEW YORK—Estimated fire losses in the U. S. during March amounted to \$84,821,000, according to National Board, an increase of 1.6% over March, 1953, and 7.5% over losses February, 1954.

Losses for the first three months now total \$250,242,000, an increase of 7.5%.

Bond \$3 Million Dam Work

Teichert & Sons and M. J. Brevanda, as joint-venturers, have been awarded

the contract for construction of Whittier Narrows dam in California at a price of \$3,088,946. Massachusetts Bonding is surety for Teichert and Hartford Accident for Brevanda.

C. & R. Names Harras, Haggarty Secretaries

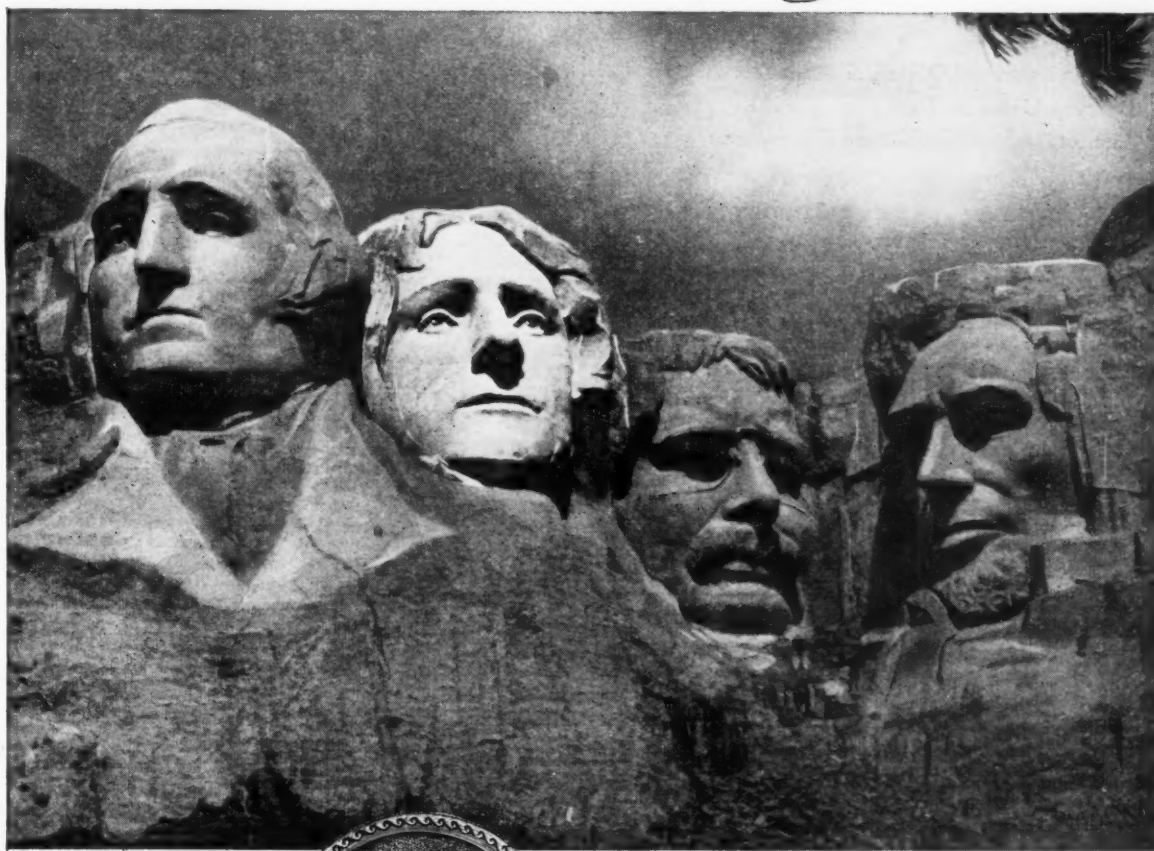
Corroon & Reynolds has promoted J. Walter Harras and Dean O. Haggarty from assistant secretaries to secretaries of its companies. Mr. Harras is in charge of the southern department and Mr. Haggarty is manager at Philadelphia.

An Advertisement similar to this appears in SATURDAY EVENING POST, March 27, and in NEWSWEEK, April 26

Words of a Great American

"A right to property
is founded in our natural wants..."

Th. Jefferson



WISDOM
from the past...
STRENGTH
for the future



This great American group on Mt. Rushmore symbolizes wisdom from the past—strength for the future. The seal of the Great American Group of Insurance Companies conveys the same message. It is your guarantee of sound insurance—available through 17,000 Great American agents or your own broker.

Great American

GROUP OF INSURANCE COMPANIES

Great American • Great American Indemnity • American National
Detroit Fire & Marine • Massachusetts Fire & Marine • Rochester American

Standard
Stock
COMPANY PROTECTION

WORLD-WIDE FACILITIES FOR PRACTICALLY ALL FORMS OF INSURANCE EXCEPT LIFE

THE UNITY FIRE AND GENERAL INSURANCE COMPANY

FIRE AND ALLIED LINES
OCEAN AND INLAND MARINE

JOHN A. HEINZE, President

PAUL RENE de MAGNIN, First Vice President

GARDNER M. LOUGHERY, Vice President

CHARLES W. REICHERT, Secretary

GILBERT KINGAN, Jr., Asst. Secretary

Statement as of December 31, 1953

ASSETS

*U. S. Government Bonds	\$2,804,053.10
*Other Bonds	733,752.00
Common Stocks	1,496,551.02
Cash in Banks and Office	313,588.13
Balances Under 90 Days	153,092.50
Interest Due and Accrued and Other Assets	76,189.89
	<u>\$5,577,226.64</u>

LIABILITIES

Reserve for Outstanding Losses	\$ 379,748.70
Reserve for Unearned Premiums	2,118,956.70
Reserve for All Other Liabilities	700,551.27
Capital Paid Up	\$ 500,000.00
Surplus Over All Liabilities	1,877,969.97
Surplus to Policyholders	2,377,969.97
	<u>\$5,577,226.64</u>

* Bonds as above valued on amortized basis. Securities carried at \$647,664.39 in the above statement are deposited for purposes required by law.

90 JOHN STREET • NEW YORK 38, NEW YORK

N.Y.C. Agents Get View of Homeowners Cover

NEW YORK—Roy C. McCullough, manager of Empiro, detailed the provisions of the homeowners policies at the April meeting of New York City Insurance Agents Assn. The name of the group formerly was Assn. of Local Agents of the City of New York.

John C. Weghorn, speaking for the group's executive committee, said that in May representatives of that group will sit down with J. A. Neumann, executive vice-president, and others of NAIA to discuss ways and means of getting the casualty insurers to return to operation through agencies in New York City. When casualty business soured two or three years ago some of the companies went to branch operation and others pulled out of the metropolitan New York area entirely.

Stephen Amann of Hall & Henshaw discussed the proposed 3% city sales tax extension to producer commissions. Al Jaffe suggested the association prepare a statement for the press, giving the effects of the tax on the insurance business. He suggested that passage of the bill would drive some producers out of New York City. Many brokers have failed to realize the tax would apply to them, he said.

Al Mezey, president of the association, said he would name a committee to get in touch with broker associations and to issue a press statement.

Mr. Jaffe and others discussed the need for establishing a uniform procedure with respect to commissions due brokers on term business written on the installment plan. Mr. Weghorn said that some day agents may be called on to pay a stiff return premium including brokerage commission, unless a satisfactory method of handling the matter is evolved.

WC For N. Y. Newsboys

Gov. Dewey of New York has signed into a law a bill to extend workmen's compensation coverage to newspaper delivery boys, specifying that they must be at least 12 years of age.

New Orleans TIS Elects

Trained Insurance Specialists of New Orleans reelected as chairman of its management committee James C. Kraus, partner of Kraus Insurance

agency, at a meeting following the annual gathering of TIS held earlier in April, where five additional members were elected to the management unit.

Other officers elected are: John Singreen, vice-chairman; Bela A. Lynne, secretary, and Charles A. Garic, treasurer. These three men either head or are top officials of agencies bearing their names.

Participating in the T.I.S. program in the New Orleans area are 108 local capital stock insurance agents.

Non-Drinker Insurer Set for Oct. Debut

About Oct. 1, a new company, Insurance Exchange Corp., with the head office planned near Walla Walla, will begin writing fire and automobile insurance. More than \$300,000 in stock has been issued to Seventh Day Adventists only. The company reportedly will offer automobile coverage to non-drinkers at reduced rates. At the first stockholders' meeting in February, R. R. Thrasher, Walla Walla, was elected president and Floyd C. Carrier, Seattle, chairman.

Judge Orders Suit Against Bonding Cos.

County Judge Briley of Nashville has ordered that a suit be instituted to recover an alleged deficit of \$245,207 in the accounts of a county trustee, Jack Price Jones, who is bonded for \$800,000 by Aetna Casualty, Standard Accident, Continental Casualty and Globe Indemnity.

Factory Mutual to Move Engineering Laboratory

Factory Mutual has started construction of a \$2 million building in Norwood, Mass., to house its engineering division, now located in Boston, and it will form a contiguous unit with the company's present laboratories. Total floor space will be 100,000 square feet. Completion is scheduled for early 1955.

Home Service Casualty Is New Insurer at Dallas

Home Service Casualty has been organized at Dallas as a multiple line stock company, with capital and surplus of more than \$500,000. It has bought the business in force of Home Service Lloyds, for two years a writer of general automobile business. The company is retaining personnel of Home Service Lloyds, including agents.

Hubert E. Ross is president and general manager, Frank Cain, Dallas attorney and president of Home Life & Accident, is chairman. Other officers are James T. Valentine, vice-president and comptroller; J. A. Ross, vice-president and agency director, and Raymond H. Rockholt, secretary.

Conn. Agents' School July 19-21

Connecticut Assn. of Insurance Agents will hold a three-day "campus school" at Wesleyan university, Middletown, July 19-21, to stress agency management, office management and general liability. The school is limited to 50 students.

An interest in Adams & Son, Inc., Coeur D'Alene (Ida.) local agency and real estate office, has been purchased by Bruce B. Swegle of Spokane. Mr. Swegle, who is taking charge of the insurance department, owned and managed the Allen-Swegle agency in Walla Walla until he was called back to active duty with the armed forces in 1950.

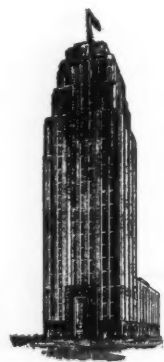
J. Walter Hosier & Son, Inc., agency has been formed in Suffolk, Va. Officers are J. Walter Hosier, Jr., president; Janet W. Spain, vice-president, and J. Taylor Spain, secretary-treasurer.

WOLVERINE'S MOBILE HOME POLICY...

Complete protection wherever insured goes, and designed for Mobile Homes only. This policy has several optional coverages available; such as personal effects, trip collision, and Vendor's Single Interest.

WRITE TODAY...

For Mobile Home information to the Mobile Home Department



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Tower

WOLVERINE INSURANCE COMPANY

Battle Creek, Michigan

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Fla. Agents Object to Changes in Basic System

(CONTINUED FROM PAGE 2)

policies, did all his billing, all his collecting and everything else, it would save him money. But then there might be no real need for him at all and he would follow the remaining general agents into oblivion to be succeeded by an order-taker operating over a counter someplace.

As was demonstrated by NAIA's agency cost survey, there is over-emphasis on whether the agency writes the policy or the company does it. In many cases, the agency has to do more work if the company writes the policy. The bulletin calls attention to the fact that there is a section in the Florida agents' qualification law which requires agents to keep records.

Agencies Have Done Well

In a bulletin supplemental to the first in its series in opposition to automobile business at a 15% commission, with direct billing and continuous policy, Florida Assn. of Insurance Agents states that the automobile problem has been greatly exaggerated in that state. Figures have been quoted to show that the direct writers are showing such big increases it is necessary for agents to take 15% of something because it is a great deal more than 25% of nothing.

Proponents of cut-your-commissions plans quote the following figures:

	1948	1952
Premiums		
Allstate	227,643	1,490,112
State Farm	1,077,894	2,826,330
Southern Farm	94,677	705,756
Bureau Cos.		
Government Employees	299,825	745,711
Totals	1,700,041	5,767,921

The picture takes on an entirely different complexion, however, the Florida association points out, when the other side is observed. It cites the figures for agency stock casualty companies as follows:

	1948	1952
Premiums		
Travelers	762,804	1,737,160
U. S. F. & G.	945,298	2,605,134
Hartford	1,055,070	2,249,063
Fidelity & Casualty	713,862	2,044,126
Totals	3,477,035	8,635,483

The percentage increase for direct writers was greater than that for agency companies, because the direct writers had less to start with. The fact remains that agency companies' premium volume increase was \$5,258,447, against \$4,067,869 for the direct writers. The bulletin states that "we would still rather have 25% of \$8,635,483 any day in the week than we would 15% of \$5,767,921".

Brown Rejoining United Pacific; Other Changes

William D. Brown, who left United General Agency to go with Union of Canton as Seattle fire manager in 1952, is resigning to return to United Pacific in charge of the new fire and inland marine department in Seattle.

Chester F. Hill transfers to the home office when the new Tacoma structure is completed to supervise fire underwriting for the new operation. Also, a separate fire-inland marine division is being organized in California, with the two divisions being coordinated under President J. W. Reynolds and Executive Vice-president Harold L. Baird.

Aetna Cas. Gets Negligence Suit

Aetna Casualty, which had the liability insurance on the city of Hartford in 1946, has been asked to study a suit brought for the second time by a Hartford man, who is seeking \$600,000 against the city and two officials for injuries received that year when he claims a negligently handled fire hose

struck him as he walked down the street.

The first time around, the state supreme court upheld a superior court ruling that Albert Stanley of the city had a non-suit in his case against two police chiefs and the city.

Fire Safety Assn. of Pennsylvania, Harrisburg division, will inspect Mechanicsburg, May 4. The Philadelphia division will inspect Doylestown, May 27.

A new local agency, Properties and Insurance, Inc., has been formed by Harold F. Meyer, Robert W. Green and Kenneth A. Bump at Hillsboro, Ore.

R. I. Agents Seek to Qualify Licensing

Rhode Island Assn. of Insurance Agents again is sponsoring two bills in the state assembly which would deny licenses to persons now licensed principally to place insurance on their own property or that for which they are agent, custodian, bailee, trustee or payee.

These bills, in content, were introduced last year, but have been changed to eliminate the word "vendor", which caused automobile dealers to fight the bills. By omitting this word, the asso-

ciation believes, the bills would have no effect on insurance operations of auto dealers.

Also included in the measures is a proposal requiring domestic companies to license properly their agents.

The association also has refuted a statement of the automobile dealers that it is opposed to the A.D.A. bill which would create an insurance company owned by the dealers' association.

Pacific National Fire is moving its Pittsburgh office, staffed by J. F. Bach and G. A. Margraff, state agents, to 1016 Grant building.

Keep Your Agents Sold On You

It is just as important to keep your present agency force satisfied, loyal, enthusiastic and in steady production as it is to be searching constantly for new agents, most of whom take some time before they become regular and dependable producers.

It is always the established and experienced staff of agents, those who have been with a company five, 10 or 15 years, that must be relied upon to write the bulk of any company's business. In fact, if a company could be certain of retaining indefinitely all of its agents of this type, its business production worries would be noticeably reduced. It would be certain of a steady flow of premiums.

One of the basic and most important reasons for advertising in The National Underwriter is to keep the agents that you have now sold on your company, sold on what you have done for them in the past and intend to do in the future. The agents that keep a company going are those that are active and operating now, not those that the company hopes or expects to appoint some day.

Agents are unlikely to maintain the desired spirit of loyalty and enthusiasm toward a company which does not advertise itself, whose name they seldom see mentioned, and which because of an undeveloped publicity sense, seems almost determined to keep itself out of the public eye. Any agent likes to feel that he is representing a successful, going, known and well-liked company.

One certain way of getting your own company into that classification is to advertise it on a regular basis in The National Underwriter, the leading weekly insurance newspaper.

The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number thirteen of a series

NEWS OF FIELD MEN

American Opens Field Office at Savannah

To provide increased field facilities for agents in southeast Georgia, American has opened a new field office in Savannah. Special Agent Herman R. Hargrove, Jr. will supervise this territory. The past year he has been with Special Agent Joseph R. Mangan in Macon. The new office is 503 Realty building.

Johnson Now N. W. Illinois State Agent for Aetna

Aetna Fire has promoted Robert K. Johnson to state agent for northwestern Illinois, with headquarters at Rockford. Mr. Johnson has been with the company for several years as a special agent, most recently with headquarters in the western department in Park Ridge, Ill.

Three Named in Field Changes by Scottish Union

Scottish Union has made three changes in the field. William R. M. Harney has been promoted to special agent in West Virginia and southeastern Ohio; Clarence G. Sullivan has

been named state agent in Tennessee, and Charles D. Wings becomes special agent in Kentucky.

Mr. Harney will assist State Agent E. T. Belanger with headquarters at Wheeling, W. Va. He has been at the home office at Hartford of Scottish Union.

Mr. Sullivan replaces Mrs. Inez B. Rankin, supervisor of agencies, who is retiring May 1. He was in the navy during the war and later was in the Tennessee field. His headquarters will be at Nashville.

Mr. Wings will be associated with State Agent Ewing Stults and Special Agent John Blackmarr at Louisville. He graduated from the University of Kentucky and has been with Kentucky Inspection Bureau.

Byers to Ark., Barrett to S. C. for St. Paul F. & M.

Jack L. Byers, South Carolina state agent of St. Paul F. & M. has been transferred to Arkansas as state agent for the northern part of the state with headquarters at Little Rock. He will be associated with I. C. Sparks, state manager. Robert W. Moore, who is special agent, will confine his activities to the southern part of the state. Mr. Byers started with St. Paul as claims manager at Little Rock, moving to South Carolina in 1945.

Richard W. Barrett has been appointed state agent in South Carolina. He started with the company in 1938 and went into the field in 1946. He has served at Pittsburgh and Baltimore.

Maine Field Club Elects

Pine Tree State Field Club of Maine, at its annual meeting elected Gus T. Sturtevant, Employers group, president; Roswell P. Averill, Aetna Fire, vice-president; John R. Knox, Crum & Forster, treasurer, and Paul E. Goode, the Boston, secretary.

These committee chairmen were ap-

pointed: Mr. Averill, public relations and town inspection; John H. Crooker, Employers Fire, entertainment and programs; Ellis S. Perrigo, New Hampshire group, publicity; C. R. Johnson, Hartford Fire, and D. W. Tozier, North America, catastrophe; Mr. Perrigo, executive committee, and Mr. Goode, divisional.

Ark. Fire Prevention Assn. Has Double Event

LITTLE ROCK—Arkansas State Fire Prevention Assn. recently staged double header fire safety campaigns in the adjoining cities of Lewisville and Stamps. In Lewisville some 23 inspectors uncovered 239 potential fire hazards and made recommendations for their corrections. Some 700 school children attended a safety stage show featuring "Stupid, The Fire Clown". A parade and fire department demonstration marked the occasion, and the Lewisville Herald responded with 54 column inches of town inspection publicity.

In Stamps some 28 association inspectors found 344 danger spots while 859 school students saw the stage show. Stamps also staged a fire prevention parade and its fire department a fire fighting show. The Lafayette County Democrat contributed 164 inches of publicity.

In both towns, the Rotary Clubs gave over their programs to the association.

Polubinsky Special Agent

Lawrence J. Polubinsky has been appointed special agent for Maryland, District of Columbia and Delaware for St. Paul Fire & Marine, associated with State Agent John T. Nichols, with headquarters in Baltimore. He replaces Richard W. Barrett, who becomes state agent at Columbia, S. C. Mr. Polubinsky went with St. Paul in 1944 and in addition to field training has been with the home office underwriting department.

Dunlop to New Jersey Field

Calvin Dunlop has been named special agent at Princeton, N. J., for American. Special Agent Joseph Meilner, who has been at Princeton, transfers to the loss department in the home office. Mr. Dunlop joined American in 1946 and has recently been with an agency in District of Columbia.

Vitamanti Special Agent

Frank Vitamanti, Jr., chief fire underwriter of Home at Los Angeles, has been appointed special agent there. He will be under the supervision of Sim Wherry, resident vice-president and Norman Young, resident secretary. He joined Home in 1950.

Daniels to Wis. for Aetna

Walter W. Daniels has been named by Aetna Fire as special agent in Wisconsin where he will be associated with S. R. Terwilliger, state agent, at Milwaukee. Mr. Daniels has been a member of the underwriting staff in the western department, and has graduated from the multiple line training school at Hartford.

L. W. Mohundro Raised

American has appointed Lonnie W. Mohundro special agent in northcentral Texas. He joined the company at Dallas in 1952 following graduation from Southern Methodist, where he specialized in insurance. His office will be at Dallas.

To Inspect Nebraska City

Nebraska Fire Prevention Assn. April 21 will conduct a town inspection at Nebraska City.

Fireman to Speak on Electrical Fire Hazards

Electrical fire hazards will be discussed by Roy D. Brown, a fireman of Morristown, N. J., at the April 26 meeting of New Jersey Fieldmen's Assn. at Newark.

The association has also announced its annual golf outing and past presidents' meeting which will be May 21 at West Orange.

Mann Is Special Agent

Balfour, Guthrie & Co. has appointed Fred Mann as special agent in the Inland Empire field. Mr. Mann has been operating his own agency in the Spokane field, prior to which he was special agent in the Inland Empire for General of Seattle.

Ritter Named in Minn.

Millers National and Illinois Fire have appointed Gerald J. Ritter as state agent for Minnesota. He has worked as a fire protection engineer and until recently operated his own agency.

N. Y. Pond to Hear Donovan

New York City Blue Goose pond will hear a talk April 28 by James B.



This unusual shape is a silhouette of a modern chair in profile.

UNUSUAL SERVICE FOR UNUSUAL RISKS!

Don't say you can't handle it, that it's too risky a line—remember Illinois R. B. Jones. You'll need unusually fast, accurate service on most unusual risks. And that's exactly what you get when you phone, wire, teletype or write Illinois R. B. Jones! Long-standing binding authority directly from Lloyd's London makes this unusual service to agents, brokers, and companies possible. Don't turn it down, turn it over . . . to Illinois R. B. Jones!

GET THE COMPLETE STORY in a new booklet now offered to you. Write for it today!

Atlanta Office: 1401 Peachtree St., N.E. Telephone: Emerson 2584

Illinois R. B. Jones Inc.

(R. B. JONES & SONS INC.)

175 West Jackson Blvd., Chicago 4, Illinois
Telephone: WAbash 2-8544

C. Reid Cloon, Vice-President



REINSURANCE UNDERWRITERS OTIS CLARK, president
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Complete facilities in the Domestic and London Markets

256 Montgomery St. • San Francisco 4
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- Insurance
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The LAWRENCE WILSON COMPANY
Managing General Agents
"Unexcelled Insurance Facilities"
SERVICE TO LOCAL AGENTS AND BROKERS EXCLUSIVELY
First National Bank Bldg. Tulsa 3, Okla.

Donovan, insurance attorney with the law firm of Watters and Donovan, on compulsory automobile insurance. The meeting will be held at the Drug & Chemical club, and Most Loyal Gander Floyd C. Pickett of Home will preside. New members will be initiated. The pond has planned its annual golf outing for June 4 at Rock Spring country club, West Orange, N. J.

Mason Is Special Agent

Lloyd H. Mason has been appointed state agent for Northern Assurance group in Seattle, where he will be assisted by Special Agent Everett E. Barnes. Mr. Mason joined the group in 1952.

Plan Ohio Field Rallies

COLUMBUS—Ohio Fire Underwriters Assn. and Ohio Fire Prevention Assn. will hold their annual meetings June 15-17 at Uniontown, Pa. A cocktail party, buffet supper, and annual dinner are among the entertainment features.

Marr Is State Agent

George J. Marr who went with Industrial April 1, has been appointed state agent for fire, automobile and inland marine in the New England area. He has 25 years' experience in insurance as an underwriter and field man.

North British Names Murphy

Baker E. Murphy has been appointed special agent for North British in the San Francisco peninsula and south coast territory with offices at San Jose. He began his insurance career in 1927.

ACCIDENT & HEALTH

National Bankers Reinsures Trans-Pacific A&H Business

National Bankers Life of Dallas is reinsuring all of the A&H business of Trans-Pacific of Phoenix, Ariz.

Trans-Pacific's annual A&H premium income is about \$420,000, written over a seven state area and consisting largely of hospitalization and special disability contracts. Trans-Pacific now will write automobile and casualty business exclusively.

Opens Agent Broker Unit

Associated Hospital Service of Illinois now is writing business through agents and brokers. A special service unit has been established at Chicago with Richard W. Anthony as director. Mr. Anthony entered insurance in 1945 at Minneapolis with Aetna Casualty, advancing to assistant manager for the company there.

Associated Hospital Service is a non-profit organization offering A&H both to individuals and groups.

Plan Iowa Sales Congress

Iowa Assn. of A. & H. Underwriters will hold a sales congress May 28 at Cedar Rapids. This will feature talks by Tom Callahan, Time, Milwaukee, president of the International association; R. L. McMillon, Business Men's Assurance, Abilene, Tex.; Robert W. Osler, vice-president of Rough Notes Co.; E. H. O'Connor, managing director of Insurance Economics Society, and Chester Elson, Waterloo general agent of Mutual Benefit H. & A.

B.A.R.E. Names Ind. G.A.

Williams J. Roberts has been appointed general agent in Indiana for Benefit Assn. of Railway Employees.

His headquarters will be at Indianapolis. Mr. Roberts has been an agency superintendent for B.A.R.E. for seven years. The company has just gone into the commercial A&H field.

Va. Blue Cross Asks \$50 Deductible Plan

Blue Cross in Virginia is asking permission to issue an optional \$50 deductible policy and an increase in rates to offset the \$261,901 loss the organization says it has had the first three months this year.

This is the third time in five months that Virginia Hospital Service Assn. has asked the state corporation commission for permission to increase rates. A request in March included a rate increase the organization believed would be sufficient for the rest of the year, but those proposed rates are now considered inadequate. The new rates would be, monthly, \$2.20 for individual contracts, \$3.50 for subscriber-child, and \$4.90 for family.

Under the deductible plan, which would affect fewer than 25% of the subscribers, the subscriber would be required to pay the first \$50 of his hospital bill. Monthly costs would be \$2.10 for individual; \$2.70 for subscriber-child and \$3.60 for family. The plan is for the deductible contract to replace the plan under which subscri-

ers pay part of their hospital bills on a per diem basis. It would be available under a community plan, where subscribers pay directly for the coverage, but not for regular group plans.

Mass. Liberalizes A&H

Policies in New Law

The A&H uniform provisions act has been signed by Massachusetts Governor Herter, effective Jan. 1, 1955. Included in the provisions are a grace period for paying premiums, an incontestable clause effective after two years, right of cancellation with refund of unearned premiums, permission to file proof of loss late, liberalized reinstatement provision, and extension from 10 to 20 days for filing notice of sickness claims.

Also provided is permission to limit benefit payments under a non-cancellable policy to insured's earning capacity, but not to less than \$200 monthly. Insured is also allowed three years to bring suit on his policy rather than two years.

The insurance department will also disapprove any A&H policy containing provisions for an autopsy.

School Policy Covers 25 Buffalo Casualties

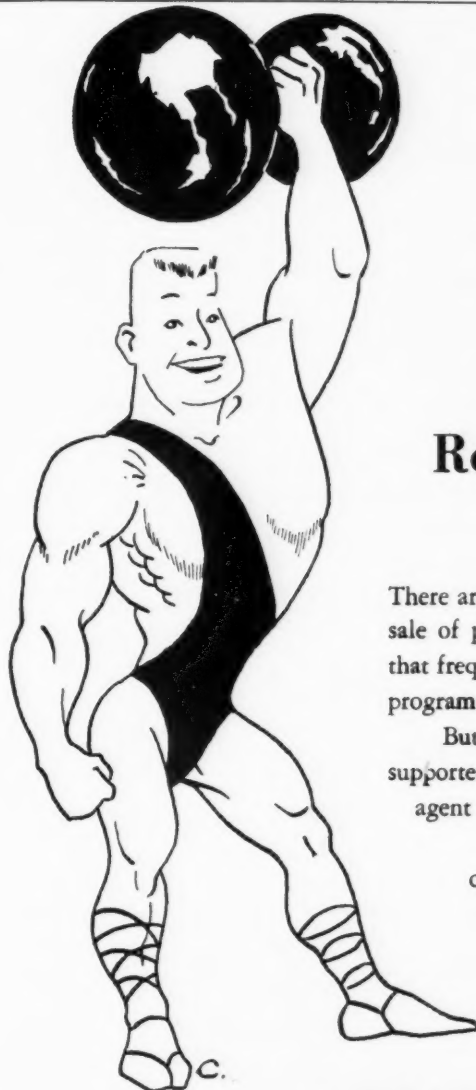
Twenty-five of the 29 children killed or injured in a fire which swept through Cleveland Hill school in Buffalo were insured under a special school child accident policy held in American Progressive Health of New York. Ten children were killed.

The policy, made available to pupils at \$1.25 for the year and approved by the school system, will pay \$1,000 for the six insured who were killed and up to \$2,000 in blanket medical benefits.

Charge Constitution of LA with Ad Misrepresentation

LOS ANGELES—Constitution Life of Los Angeles has been charged with the use of six pieces of advertising during 1952 and 1953 that misrepresented A&H policy benefits, in an accusation filed by Commissioner Maloney.

The accusation points out the company has made changes in the advertising and these may be considered in mitigation of the charges.



Let American give
your Plate Glass

Replacement problems
a lift!

There are a lot of profitable opportunities for agents in the sale of plate glass insurance. It is the type of protection that frequently opens the door into a firm's entire insurance program.

But selling plate glass insurance is not all. It must be supported by the type of service which does credit to the agent and the company he represents.

For a real lift in selling try the stimulating combination of a good plate glass policy supported by American Glass Co. service. For speed, satisfaction and economy there is nothing finer . . .

and American has the experience to back it up.

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of Commerce

MOHAWK 4-1100
BENJAMIN BERIS, President

Members of
Chicago Better
Business Bureau

American Glass Company
1030-42 NORTH BRANCH STREET · CHICAGO

"Recognition Merited by Our Service"

LEADERS ALL

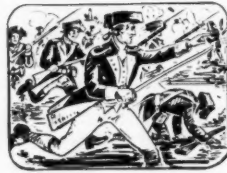
7: ALEXANDER HAMILTON



ALEXANDER HAMILTON (1757-1804) was a brilliant statesman who became first Secretary of Treasury of the U. S. The nation had no money or credit when he took office.



HE PERSUADED GOVERNMENT to pay all debts made by states during Revolutionary War; a national bank and mint was established.



THOUGH BORN OF SCOTCH PARENTS Hamilton was in sympathy with colonies in fight for freedom. He fought with bravery at outbreak of Revolution and was made secretary to General Washington.



IN 1804 HAMILTON became involved in political dispute with Aaron Burr. Burr challenged him to a duel, in which Hamilton was killed.

AGENTS ARE LEADERS . . . who represent Hawkeye-Security and Industrial. In addition to offering the finest protection, they are backed by companies that help them build volume. They know they can depend on Hawkeye-Security and Industrial for prompt settlement . . . every sales aid and skilled field representative to work with them.

**HAWKEYE-SECURITY
INSURANCE CO.
INDUSTRIAL INSURANCE CO.**

Des Moines, Iowa



Reinsurance

Casualty, Fire, Marine, Miscellaneous

Pro Rata—Quota Share—Excess Loss
Treaty and Facultative

Excess Covers Including
Steam Boiler, Fleet, Motor Cargo, Aggregate,
Liability, Workmen's Compensation

DOMESTIC AND FOREIGN MARKETS

EXCESS UNDERWRITERS, INC.

Howard E. Mankin, Executive Vice-President
Home Office, 175 W. Jackson Boulevard, Chicago, Ill.
San Francisco Office: 454 Montgomery Street

State-by-State Assigned Risk Figures Released

A compilation of experience on automobile assigned risks for the 44 states for which figures are available has been issued by National Bureau of Casualty Underwriters. In the other four states, D. C. and Hawaii, plans do not call for experience. The following information on loss ratios incorporates earned premiums and incurred losses for the states listed. Double asterisks indicate private passenger cars only.

State	Policy Years, Ended with 1951	B.I. Loss Ratio Earned to Inc.	PDL Loss Ratio Earned to Inc.
Ala.	1948-51	27.6	48.2
Ark.	1950-51	51.3	67.1
Cal.	1942-51	66.5	56.8
Col.	1946-51	52.0	76.3
Conn.	1941-51	106.4	82.9
Del.	1947-51	54.8	31.4
Fla.	1947-51	70.0	64.2
Ga.	1948-51	65.3	89.4
Ida.	1948-51	73.7	64.1
Ill.	1941-51	77.7	74.9
Ind.	1946-51	49.1	83.7
Ia.	1948-51	82.7	73.8
Kan.	1950-51	80.8	118.5
Ky.	1947-51	92.4	81.9
La.	1948-51	53.7	65.5
Me.	1941-51	63.0	66.2
Mich.	1946-51	53.5	72.7
Minn.	1942-51	89.3	62.7
Miss.	1942-51	63.6	60.9
Mo.	1949-51	56.3	72.2
Neb.	1946-51	79.6	74.4
Nev.	1950-51	246.6	44.4
N.H.	1938-51	89.8	72.7
N. J.	1941-51	71.3	74.5
N. M.	1948-51	31.2	34.6
N. Y.	1941-51	92.2	87.2
N. C.	1949-51	66.6	63.6
N. D.	1947-51	47.2	50.2
O.	1947-51	70.0	76.2
Okla.	1950-51	134.2	74.5
Ore.	1946-51	76.9	72.6
Pa.	1943-51	48.0	71.6
R. I.	1947-51	33.5	53.8
S. C.	1948-51	15.5
S. D.	1949-51	345.5	250.8
Tenn.	1948-51	64.6	69.3
Utah	1946-51	65.1	57.6
Vt.	1941-51	70.6	67.9
Va.	1941-51	81.3	79.5
Wash.	1941-51	67.0	67.1
W. Va.	1947-51	40.6	32.1
Wis.	1946-51	91.4	87.5
Wyo.	1948-51	60.3	52.5
		79.6	73.6

Total: 1938-51, BI premiums earned, \$28,600,885, and losses incurred, \$22,777,103; PDL, premiums earned \$14,913,834, and losses incurred, \$10,976,536.

Mass.	1940	137.6
	1941	151.8
	1947**	138.6
	1948**	138.2	33.0
	1949**	155.8	101.1
	1950**	207.4	119.6
	1951**	184.3	120.1
	1952**	178.4	79.2

Am. Auto Gets Demurrer in Cal.

LOS ANGELES—Superior Court Judge McCoy has sustained the demurrer of American Automobile in a suit instituted by local attorneys who accuse American Auto of violating the

criminal code respecting the influencing of juries. These attorneys now have 20 days in which to amend their complaint.

The attorneys charge that the national advertising of American-Associated group in its campaign to reduce automobile and other accidents, use language that would influence jurors in arriving at verdicts in cases involving accidents, and specifically California laws are being violated. Already state and federal courts have upheld the legality of these advertisements in other jurisdictions.

Cincinnati Board to Be B-I-E Day Host

Cincinnati Fire Underwriters Assn. will be a participating host in Business-Industry-Education Day May 4. As usual, a group of public, parochial and private school teachers will be guests at luncheon, where the activities of the insurance business will be explained, and will be taken through a number of fire and police installations in the city. The Cincinnati board has participated in this activity since it was inaugurated there several years ago. The board will also be a co-sponsor with the Ohio Fire Brigades Assn. of an industrial fire school at Cincinnati May 11-12.

Morgart in Cal. Brokerage Post

James C. Morgart has been named California brokerage manager for Massachusetts Indemnity, with Los Angeles headquarters. He will be associated with William E. Lebby, state agent, whose office in 1953 led all company agencies in production.

Mr. Morgart, a university of Pittsburgh and Virginia Military Institute graduate, was a brokerage manager at Pittsburgh before going to Los Angeles. He is an army veteran.

The Lebby office will move soon to 4270 Wilshire boulevard where it will occupy the entire first floor.

Up Hawkeye-Security Dividend

Hawkeye-Security will pay a quarterly dividend of 37½ cents per share on common stock April 29 to stockholders of record April 21. This is an increase from 25 cents per share paid for the corresponding period in 1953. On April 15 payment of the quarterly dividend on the 5% preferred stock is being paid.

On Continental Casualty Board

New directors of Continental Casualty are James J. Mertz, vice-president and comptroller, with the company since 1916; John A. Henry, vice-president and secretary and general counsel, and with the company since 1944, and Kenneth V. Zwiener, vice-president of Harris Trust & Savings Bank, Chicago.

"CHOOSE YOUR COMPANY AS YOU CHOOSE YOUR FRIENDS"

STANDARD—UNIFORM

AN AGENCY
COMPANY

RATED BY "BESTS"
"A" + EXCELLENT

Chas. W. Walter
President



Robert S. Barber
Secretary

NON-ASSESSABLE POLICIES

UNEXCELLED
SERVICE

PREFERRED RISKS
SPECIAL RATES

WEST BEND MUTUAL FIRE INSURANCE COMPANY

WEST BEND, WISCONSIN

WE INVITE AGENCY INQUIRIES IN ILLINOIS, INDIANA, IOWA, MINNESOTA AND WISCONSIN. CERTAIN TERRITORIES OPEN FOR AGENCY REPRESENTATION.

Industry-Wide PR Program Long Overdue and Now Needed Badly, Ross Tells NAIA

Agents want an industry public relations program that will help them hold present customers and attract others, Kenneth Ross of Arkansas City, Kan., executive committeeman, said in his report on public relations at the meeting of National Board of State Directors of National Assn. of Insurance Agents in Seattle.

There has been a change in the economic situation, he said. Business has leveled off. Agents all are having to dig harder and all lines of business are out after the consumer's dollar.

There has always been the competition of mutuals, and politics and taxes being what they are, the mutuals will always be here. Agents can take care of them. But in recent years there has been a new development that is causing concern, the over-the-counter merchandisers of insurance and the success they have been enjoying. Clarence Saunders, inventor of self-service in grocery stores, changed grocery-buying habits of America. Price was the magic with which he did it. Price won out over service. The customer gave up the convenience of telephoning his order, having it delivered, and paying monthly. He elected to come and get it, wait on himself, and pay cash at a lower price.

Is it not logical then to think that a giant mail order and chain store organization, with branches across the country, can make a dent in the insurance buying habits of a nation? he asked. Between one-half and two-thirds of fire and allied lines business is exposed to this type of competition. This mail order and chain store corporation with its insurance company, started writing fire business in Illinois, and will undoubtedly move across the country as fast as it can equip its offices. Certainly there is cause for concern in this development, he said.

Insurers spend less money for advertising, in relation to their sales volume, than almost all other businesses. In one year insurers spent slightly more than .1 of 1% of sales volume for advertising. In the same year agents spent approximately 1.1%. Business as a whole spent approximately .8 of 1% in the same year.

Thus producers have been spending well above the general average, while companies have been spending way below. But before condemning companies and patting agents on the back, consider that last year Insurance Advertising Conference, composed of the advertising and sales promotion heads of most of the leading stock carriers, initiated a competitive award for the best use of local agency advertising. The purpose, he said, is a good one, to promote the more effective use of advertising as a merchandising tool in the local agency business. Less than 100 agents participated in last year's competition.

Agents did not lack interest so much as they felt that their advertising programs did not measure up. They were probably not too effective, either. Widespread misconceptions about the business, ineffective advertising and, in many instances, unfavorable press releases contribute almost daily to making the agent's selling job more difficult.

What are all possible solutions to the problem? Recently Mr. Ross read an article quoting an official of a direct writer. "As far as we are concerned,

the American agency system can die on the vine if it wants to. We can undersell it because we don't furnish independent agency services. Don't think the public needs it. We can be as selective in our underwriting as we choose, and under our system, our salesmen must absolutely follow our orders."

Well, the agency system is not going to die on the vine because agents are not going to allow it to, Mr. Ross declared. But they do have their work cut out for them. Present conditions demand development of a willingness and an ability to discard cherished habits of thought. They must drop the idea that change comes slowly. The inroads of the direct-writing companies in the automobile field should indicate that.

Buying habits are changing and regardless of what agents want, the public is going to buy insurance the way it wants to buy it. How can the public be made to buy through local agents?

Obviously only through intelligent, efficient and aggressive marketing. Agents must give service, as they have never given it before, and then sell insured on the value of that service. They must develop a broad program of institutional advertising that will make the public want to do business with them, their companies and their method of merchandising.

There are those who say institutional advertising won't work in insurance. But it has in many other industries that have, or have had, the same problems, notably railroads, trucking, General Motors, life companies and even fire insurance, when a segment of the industry cooperated on a common problem. The fire companies were successful in their campaign to have people increase insurance to value primarily because companies were following the same general theme and agents were cooperating with them.

Institutional advertising will work in insurance, he said.

There has been no forum through which agents and companies could discuss their common problems, in-

cluding public relations, on an industry-wide basis. But American Insurance Assn. has been formed and offers possibilities of being a most progressive step in this direction.

Interest in PR is increasing daily. An industry-wide institutional advertising program to assist agents in merchandising insurance is long past due. NAIA will have many common problems to discuss with American Insurance Assn., but public relations should be No. 1 on the agenda and NAIA representatives should be so instructed.

Wolverine Shifts Three, Creates New Departments

Wolverine has made the following changes: Herbert White, personnel department head, becomes branch operation coordinator. Webster C. Evans, while continuing as advertising manager, takes over as manager of the Federal department, a newly created division within Wolverine to promote Federal Life & Casualty policies through the Wolverine agency plant. Aaron Shaver was named head of the new personnel and public relations department.

"PEPPY FREDDY, the fieldman, says:

BETTER THROW AWAY
ALL THOSE APPLICATIONS—
I'VE HEARD OF A COMPANY
THAT USES ONLY ONE
APPLICATION FORM WHICH
CAN BE USED FOR ANY
TYPE OF BOND



WESTERN SURETY COMPANY

CHICAGO
175 West Jackson Blvd.
Chicago, Illinois

SIOUX FALLS
131 N. Main Ave.
Sioux Falls, S. Dak.

DALLAS
1700 Commerce St.
Dallas 1, Texas

KANSAS CITY
102 East 9th Street
Kansas City 6, Mo.

\$1 Million Suit Filed Against Kavanaugh of Colo.

(CONTINUED FROM PAGE 1)

1954, "well knowing that the methods and operations (of Pioneer) were detrimental to the state of Colorado."

3. "Wilful and negligent dereliction" of duty by Kavanaugh and Snyder for allowing Pioneer to write business from 1951 through March of 1954 when the company was in "an unsound financial condition."

4. Allowing Pioneer to continue in

business after "false statements of its financial condition" were filed and after "the falseness of such statements became known to the defendants."

5. Kavanaugh and Snyder "knew . . . or should have known" that Pioneer was insolvent in 1952, 1953 and the first quarter of 1954, but "took no action whatsoever to remedy the said situation as authorized by law."

6. Pioneer was allowed to operate in Colorado during 1953 without a duly authorized license and the agents were allowed to write business without having individual agent's licenses.

The \$1,100,000 being sought is called in the suit the approximate insolvency of Pioneer. It is alleged that "this indebtedness" is the result of wilful and unlawful and negligent actions by Kavanaugh and Snyder, so therefore, the \$1,100,000 is "directly chargeable against them." The suit asks \$30,000 from Massachusetts Bonding.

The Pioneer ruckus began to get attention about March 10 when Frank Salisbury, who was named president after the insurance department called for a reorganization and ousted Joe Simpson, wrote a letter to agents ad-

mitting the insurer was in financial difficulties and asked the agents to help by raising some of their own money. For two or three weeks it looked as though this might be the solution, and some agents sent in money individually to the company and others to Agents Group, Inc., at Denver to be held in an escrow account. Then policyholders started to cancel out and some agents took the initiative and switched their insured to other companies, many at their own expense. The company charged the agents were holding out remittances and from then on a battle royal ensued. The newspapers took hold of the story in a big way and it has been making the front page in Denver with regularity. Everybody has made charges about everybody else, statements have been issued, attorneys hired, suits filed, etc., to the point where it has become difficult to follow developments.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

GENERAL INSURANCE UNDERWRITER

For new Dayton, Ohio, agency. Prefer someone with engineering background. Excellent opening for an experienced engineer and underwriter. Between the ages of 30 and 40. The man we are looking for must have several years of diversified experience. He must have a pleasing personality and ability to deal with people. To such a man we offer a good starting salary and an interest in the company. All replies will be treated in strictest confidence. Address replies to Box Y-37, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE ADJUSTER

Casualty insurance adjuster wanted by Hartford Accident & Indemnity Company to do field work with headquarters in South Bend, Indiana. Insurance experience not necessary. College degree preferred, but will consider minimum two years college. Car furnished, travel expenses paid. Excellent opportunity for advancement. Address replies to George P. Mullen, 1329 Insurance Exchange Bldg., Chicago 4, Ill., stating education, salary expected, work history, personal data and references.

I.B.M. SUPERVISOR

Direct Writer of Auto Insurance in Michigan, employing 60 in Tabulating Department has opening for experienced supervisor 28-35. The man we are looking for must have had several years experience, the ability to deal with people and a knowledge of insurance accounting and statistics. Administrative ability desired as there is excellent chance of advancement. State educational background, work history and specific qualifications for this job. Replies strictly confidential. Address Y-70, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

STATE AGENT - WISCONSIN

Prominent multiple line company with an established agency plant is interested in securing a Fire state agent with Wisconsin background. Excellent opportunity for qualified man to become associated with a rapidly expanding company. Salary commensurate with experience and ability. Liberal company benefits. Write, giving experience, etc., to Box Y-63, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT—WISCONSIN

Want young man with fire experience and working knowledge of inland marine. State age, education, experience and salary desired. Inquiries will be kept confidential. Address Y-57, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SURETY PRODUCER-UNDERWRITER

Excellent opportunities in aggressive fast-growing company. Two positions open—locations: San Francisco and Los Angeles. Minimum 7 years' experience—emphasis on contract. California domiciled multiple-line carrier. Salaries open. Address Y-71, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

BOILER AND MACHINERY UNDERWRITER

Continued rapid growth of casualty company has resulted in interesting opportunity in boiler and machinery underwriting. Immediate responsibility which will be assigned requires at least three years previous experience in underwriting boiler and machinery insurance lines.

Must be willing to locate outside of New England. Write qualifications to Personnel Manager, Mutual Boiler and Machinery Insurance Company, 60 Batterymarch St., Boston, Mass.

IBM OPERATOR

Need supervisor of IBM room for organization handling all forms of Automobile, Fire, Comprehensive, M.C.L., Bonds and Truck Insurance Coverages. Must have experience in these lines and live in the West. Knowledge of accounting beneficial. If you or your family have sinus or asthma conditions, this is an opportunity to live in the best climate for such conditions. Give full details of past experience, age, family, etcetera, first letter. Box No. Y-65, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Home Office Junior Claims Executive. Must have Law Degree. Location—Ohio. Reply Box Y-36, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

PROFESSIONAL CONSULTING ORGANIZATION

In New York has opening for a man with thorough knowledge of Fire and Inland Marine insurance and ability to develop insurance programs. Substantial background in field essential. Salary open. Replies strictly confidential. Box Y-73, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE FIELDMAN AVAILABLE

Married, age 35, college. Excellent references; 4 years General Agency Fire and Casualty experience; 4 years Special and State Agent. Imperative I locate in Florida. Company or agency connection desired. Address Y-69, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED CASUALTY SPECIAL AGENT

By old responsible Casualty Company Young Man with some casualty underwriting experience in Midwest operating from Des Moines. Right man can make excellent future for himself. Address W-90, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE Insurance Counsellor

Specialized in fire and casualty. Desire greater possibility for advancement. Age 39. Midwest preferred. Good references. Address Y-72, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

Would you like to become an integral part of one of Central-Western New York State's oldest and largest General Insurance Agencies? Our large modern office affords an ideal atmosphere and our salary, bonus and commission arrangement affords an excellent financial return. If you are under 40 years, with ambition and a completely rounded underwriting experience in all casualty lines; enjoy meeting people and have a pleasing personality, this outstanding opportunity may interest you. All replies confidential. Address Y-67, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

HOUSE ORGAN EDITOR

One of the country's largest insurance organizations has opening in its Advertising and Publicity Department for a man with writing ability, preferably with some knowledge of insurance, to edit monthly publication devoted to casualty, bonding, fire and marine lines. Write stating experience and salary expected to Personnel Department, Aetna Life Affiliated Companies, 151 Farmington Avenue, Hartford 15, Connecticut.

FIRE SPECIAL AGENT

One of the largest and most prominent agency mutual fire companies has opening for special agent with Atlanta headquarters. In reply, give age, education, and experience. This is splendid opportunity and all inquiries will be fully investigated as we expect our proposition to be investigated. Replies will be treated in strictest confidence and our own men know of this opening. Address replies to P. O. Box 9206, Raleigh, North Carolina.

FOR RENT

Choice space available for rent in our Main Street building. Suitable for Branch or Claim Offices. A good location in north central Ohio, with very reasonable rental rates. Inquiries invited. The SHELBY MUTUAL CASUALTY COMPANY Shelby, Ohio

SPECIAL AGENT—COOK COUNTY

A large Chicago general agent and brokerage office offers an excellent opportunity to an experienced man with an established following among Cook County producers. Reply giving full particulars and salary desired to Box Y-66, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED 3 Engineer-Inspectors

Opportunity for aggressive, experienced men, interested in becoming associated with a top-rated multiple-line Stock Agency Company with progressive policies, and many outstanding employee benefits. Openings in Nebraska, Michigan and Missouri. Write Box Y-34, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Pioneer has begun sending out assessment notices to cover business written from March 1, 1952, to Dec. 31, 1953. One of the first to receive a notice was Mr. Simonson, who formerly headed Simonson Moving & Contracting Co., but sold out the business. He is being asked for \$1,579 on a policy that expired a year ago.

"I'm just not gonna pay it—I'll fight it," Mr. Simonson said. He is now assistant building inspector for Adams county.

The assessment letter, signed by Frank Salisbury, says Pioneer is not going out of business, and as soon as possible intends to adopt a dividend policy "which will return to you in time more than the amount contributed now." Provision is made for a time payment plan on the assessment under which the policyholders are urged to pay at least one third within 10 days and the remainder within 60 days.

Two policyholders of Pioneer have already filed suit to prevent the assessment. Agents Group, Inc., of which the chairman is Walter W. Johnson of Pueblo, former governor, announced late last week it would this week demand the resignation of Commissioner Kavanaugh, and there was a second to that idea by officials of the AFL and CIO.

Two members of the Colorado legislature, whose business affairs committees are this week to start open hearings on the Pioneer Mutual case, asked that such demands not be made because they will prejudice the case.

Mr. Kavanaugh, who is 77, took over as commissioner from the late Jackson Cochrane, who was dismissed after he had allowed a mutual to continue operations after it went into the red in 1939.

Hear Storey at Dallas

Robert G. Storey, dean of Southern Methodist University law school and immediate past president of American Bar Assn., was the speaker at the April meeting of Dallas Assn. of Insurance Agents. He outlined the operations of the Hoover Commission.

Haley Addresses N. Cal. CPCU's

James B. Haley, Jr., Argonaut Exchange, addressed a meeting of the Northern California chapter of CPCU at a dinner in San Francisco.

Joins Portland, Ore., Agency

Joseph W. Faurot, formerly special agent for North America in Portland, Ore., has joined the Chet Knowlton agency there.

NAIA State Directors Rap F.&C. of Conn. Auto Plan

(CONTINUED FROM PAGE 1)

was referred to the steering committee for further study.

Kenneth Ross of Arkansas City, Kan., in his report on public relations said an industry insurance advertising program is long overdue, and Arthur M. O'Connell of Cincinnati, an executive committee member, suggested the companies should consult agents concerning advertising material as to its value. He said a good deal of advertising is of little or no value to the agent or the business. The group approved unanimously a suggestion by William R. Dunham of Missouri to have representatives of NAIA confer with Insurance Advertising Conference regarding the best possible use of advertising.

The Far West Agents Conference, which held its meeting at the same time, had a get-together with representatives of the Pacific Board and another with representatives of the National Bureau and NAUA.

Abrogation of the annual renewal plan was discussed, and the Pacific Board people said they would give the problem further consideration. Gerald V. Ball, assistant manager of the board, told the agents that if the dwelling fire loss ratio continues to improve, they must sell more allied coverages in order to maintain premium volume. Hugh S. Coburn, secretary of Boston and Old Colony, presiding on behalf of the board, indicated he thought agents were not selling the broad form policy, but the agents said the rates are too high and they are meeting opposition from some financial institutions who consider the additional coverages "gingerbread."

The agents were told the board is still working on the term rule problem and hopes to establish a uniform 10% reduction on three year policies.

On a question concerning fire legal liability coverage, Mr. Ball said anything the board might put out would be much the same as that available from the casualty insurers and not competitive with casualty coverages. He said the first move in providing more satisfactory fire legal liability insurance is up to the casualty insurers.

Some agents complained that the rate on the new simplified business interruption form A is too high and the coverage is difficult to sell. They were told there is not sufficient volume and experience to justify a rate change yet.

At the meeting with the National Bureau and NAUA, most of the agents expressed satisfaction with the automobile classification system. Rollo E. Fay, Pacific manager of the bureau, presided and said the new broad form automobile policy will not be completed or released this year. He indicated drive other car collision coverage has been approved to be incorporated in the new broad form.

Mr. Fay said the bureau is considering a method by which the \$50 occurrence limitation on plate glass coverage can be deleted for a slight premium charge. There was a complaint on BI and PDL rates for motels, and Mr. Fay said these will be rerated. A request from Arizona agents to have the bureau establish a new automobile classification 3A (a reduced rate for corporation-owned vehicles driven to and from work less than 10 miles each way) was taken under consideration.

La. Approves 10% Reduction in EC Rates

Louisiana insurance department has approved a 10% reduction in extended coverage and windstorm rates, effective April 15. This will amount to a reduction in such premiums of about \$1 million a year. The rates are the lowest of any coastal state from Texas through Virginia.

A new rate filing on fire insurance is currently under study by the fire division of the state insurance rating commission.

New Committee Members of NAIC Named by Murphy

Additional committee appointments have been made by D. D. Murphy, South Carolina commissioner and president of NAIC.

Named to the casualty and surety committee are: Bisson of Rhode Island and Birdwell of Oklahoma; fire and marine, Birdwell; sales on military reservations, Combs of Arkansas; automobile rates by driver classification subcommittee, Sheehan of Minnesota and Hammel of Nevada; fire safety standards for hospitals subcommittee, Sheehan, Goebel of Kentucky and Jensen of North Dakota; new subcommittee on extending multiple location rating to building and contents, Navarre of Michigan, Maloney of California, Allyn of Connecticut, Fischer of Iowa and Pansing of Nebraska; subcommittee on study of enlarging functions of the assistant secretary's office, Taylor of Oregon.

Carmody Joins Zenith Natl. to Open Office at Fresno

Zenith National of Los Angeles is opening an underwriting, claims, audit and safety engineering department at Fresno with Hal Carmody as manager. Zenith National writes workmen's compensation only, and the Fresno office is its third branch, the others being at San Francisco and San Diego.

Mr. Carmody has been special agent for four years in the San Joaquin Valley for Guarantee of Los Angeles. The Fresno office is in the Bill Bowen office building, which was only recently opened, and it contains all the latest equipment.

Royal Exchange Group has moved its upstate New York field offices at Syracuse to 218 Harrison street. The telephone number, Syracuse 2-5260, is unchanged.

T. E. Wood Agency Wins IAC Advertising Award

(CONTINUED FROM PAGE 1)

topped its class. Its entry was very much in the running for the grand award, which will be conferred June 13 at Montauk Point, N. Y. The judges finally gave the nod to the Wood agency because the advertising activities of that office were directed at the general problem of selling insurance and establishing the agency in the public mind. Mr. Clarke's illness gave his agency the special problem of establishing two associates, neither of whom were natives of Fredericksburg, in the community and the agency performed this task with outstanding success.

An interesting criterion of the effect of intelligent advertising was that last year's grand winner, Jack Safely, Temple, Tex., moved from group 1 to group 3, where he received an honorable mention.

W. M. Sheldon, Chicago, vice-president W. A. Alexander & Co. and immediate past president National Assn. of Insurance Agents, was chairman of the judges. Other judges were C. C. Greene, Chicago, president Doremus & Co.; N. H. Davis, Jr., Chicago, executive engineer Underwriters Laboratories; R. C. Budlong St. Louis, editor "Local Agent," and J. C. O'Connor, Cincinnati, executive editor "Fire, Casualty & Surety Bulletins" of the National Underwriter Co.

Honorable mention went to: Class 1, I. Checkoway, Newburyport, Mass., and Ferguson insurance agency, Sheridan, Ind.; class 2, L. F. Stoor, Crystal Falls, Mich.; F. A. Kandutsch, Park Falls, Wis.; Marshal Paris agency

Bothell, Wash., and Len Eckman, Pittman, N. J.; class 3, Tom Bartlett, North Baltimore, O.; Jack Safely, Temple, Tex.; C. H. Weinbaum, Beaumont, Tex.; Zeon Gassmann, Olney, Ill., and Berry insurance agency, Murray, Ky.; class 4, Barton F. Sharp & Son, Bridgeport, N. J.; J. B. Hopkins, Columbus, Miss., and Bob Kraus insurance agency West Milton, O.; class 5, Dawson & Feek, Seattle, and Norman Hobard, Kansas City.

In several cases the honorable mention was given for what the judges considered expert handling of a specific situation although the programs were not comprehensive enough to be considered for top awards. For example, Mr. Paris was recalled to military service when his agency was only 2½ years old and his campaign kept his name before the public and induced clients to call at the office, which was run by Mrs. Paris. Dawson & Feek directed their advertising at a specific class of insured—contractors—and Mr. Kraus made excellent use of aerial photographs of clients' properties.

Plan Triple Field Meet at Baileys Harbor, Wis.

The annual meeting of Wisconsin Fire Underwriters Assn. will be held at Maxwellton Brae, Baileys Harbor, Wis., in association with those of Wisconsin Blue Goose and Wisconsin Fire Prevention Assn. The Blue Goose dinner and splash will be held the evening of June 22, with the field group starting its sessions the following morning, and the fire prevention men will have their sessions June 24. A sports program has been arranged the afternoon of the 23rd, with Eli Shupe of the Home as chairman of the committee.

The NEW ZEALAND
Insurance Company Limited
United States Head Office
Since 1875
San Francisco
R. B. Masters, U. S. Mgr.

SERVICE BEYOND THE CONTRACT

**ALBUQUERQUE ATLANTA DALLAS DENVER NASHVILLE
OKLAHOMA CITY ST. LOUIS SEATTLE PORTLAND**

UNIVERSAL INSURANCE UNDERWRITERS

operating as

Homer Bray Service

in

Washington, Oregon, Texas, Georgia, Alabama & Florida

The Universal Insurance Underwriters is merely a Managing General Agency, holding automatic quota share and excess treaties in a pool of stock companies, for writing certain hazardous line coverages. We write no direct business, but operate strictly through agents. We were organized in 1949, and have confined our writings more or less to States West of the Mississippi until recently. We are in a position to file in all 48 States, Canada and Alaska. Except for Massachusetts, we will consider agreements with local agents any place in the above territory. Retained limits \$100,000/300,000/100,000 on all lines except gasoline, butane and explosives. On gasoline and butane, \$50,000/100,000/50,000. We do not solicit local operations written by domestic companies, except for butane. We solicit long haul operations for B. I. & P. D., Medical Payments on:

M.C.I.
BUTANE
AMMONIA

LONG HAUL
OIL FIELDS
EXPLOSIVE HAULERS

LLOYDS
PRODUCE
PRODUCTS

HAUL AWAY
LIVE STOCK
HOUSE MOVERS

BUSSES
GASOLINE
COMP. GEN.

DRIVE AWAY
U-DRIVE-IT
GRAIN HAULERS

BEAUTY PARLOR MALPRACTICE, LAWYERS, DOCTORS MALPRACTICE IN SMALL TOWNS

Box 1008

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Emphasize Service Not Price Lines, Slawsby Urges

Archie M. Slawsby, chairman of the property insurance committee of National Assn. of Insurance Agents asked the association's mid-year meeting at Seattle to picture the reaction of the average policyholder if, after a modestly wide-spread windstorm, where deductibles were not used, he found himself in line with three or four hundred other claimants in front of their local department store at 8:45 in the morning, waiting to report his loss.

This, he warned the agents, could be the case if other companies follow the lead of "a primarily automobile specialty company into the dwelling class field, poised with slick price-selling techniques." The price-selective buyer has been America's "forgotten man and it is time we do something

about him and do it soon."

In an obvious reference to Allstate, he said "this non-agency independent" in Illinois offers one year's rates at 64% of regular rates plus a facility for financing the premium at a nominal fee over several months, and declared, "Here is price competition worse than could be conjured up in any series of nightmares."

Mr. Slawsby urged the agency companies and the local agents to dictate the terms of battle with the direct writers. He noted the danger of warring on a price basis, for on this basis "we will have our brains unceremoniously kicked in". Instead, he urged a concentration on the service factor "which cannot be duplicated by any direct writer", and it was this factor, "broader and yet broader protection", which he outlined earlier in his address, declaring that the personal property floater, Fireman's Fund's special homeowners policy or a facsimile, and a comprehensive personal liability

form "appear to be the ultimate in personal dwelling protection".

Linked to service, he said, is diversification of coverage in the weapon of the agency companies, and he therefore would not "waste any sympathetic tears" on agents who bemoan the lack of uniformity of coverages and rates being offered by their own companies.

"If it were not for the thinking of independents, the laggards in this parade would set the pace", he said. "Present competition for the broad form dwelling business, will, I am sure, result in more than one grade of coverage".

Mr. Slawsby said the buyer who is going to get the most of the attention for the next several years will be the one who takes the fire, optional extended coverage and AEC package.

"There do not appear to be valid enough reasons which could prevent each of our companies from offering at least three optional plans of dwelling house protection," he said, citing: "First, that characterized by the Fund's SHO policy; secondly, an 'Empiro-Interbureau type of contract; and finally, the basic fire policy with optional endorsements."

He saw some criticism in the fact that claim frequency would increase, "but I am convinced that this is to the insurance buyer's and our ultimate advantage. . . There can be no question but that the insurance buying public is bound to receive more and more sympathetic assistance and aid from an independent agent than he would from a salaried company employee."

The personal property floater, he said, was the policy most responsible for overcoming what he called a "legal artificial segregation" of coverages and paved the way for multiple peril insurance. Another "first" was California, "the most friendly spawning ground" for the coverages. "State after state, including some in New England, which are classed among the most conservative, have since seen fit to create a legal situation conducive to further experimentation along this line."

But a "ridiculous situation" followed, he remarked, for "while the broadest coverage was available to the insurance buyer on his personal property, it was not available to him on his real property."

And as for those who point to unfavorable claims experience, the speaker declared that "not enough emphasis is placed upon the theory that there is bound to be a saving in claims experience for the simple reason that package buying eliminates the possibility of anti-selection against the companies. The obvious saving in dealing with fewer premiums, with resulting fewer ascertainable loss ratios, needs no further comment as I feel this thought is reflected in the clerical saving."

Other policies besides those written by Empiro, Interbureau and Fireman's Fund, which came in for some praise at Mr. Slawsby's hands were those

written by North America, which, like the first two, subscribes to the theory that to have multiple line underwriting one must afford both first and third party coverages; and Atlantic, which, like Fireman's Fund, adheres to the idea that multiple line underwriting is effected when one tends towards all-risk. "Their forms," he said, "plus a CPL, would give one nearest the ultimate in coverage, in my opinion."

Of North America, he said its contracts now are sold without deductible in Pennsylvania. Its homeowners A and B policies, approved in 26 states he said, resemble Empiro's A and B forms and "there seems to develop a savings of 20%, which savings in unprotected areas might run up to as high as 35%. We understand that commissions payable are 17½% to non-policy writing producers and 20% to policy writing agents. Installments are made available on the same terms and charges as Empiro policies."

He continued, "Now is the time to go all out for 'all risk' for our PPF friends, package policies for the great middle class of insurance buyers and broaden our EC and AEC forms by eliminating deductibles. Let us provide broader coverages at rates commensurate with experience. Broader coverages and the elimination of deductibles will automatically bring more losses within the scope of indemnity."

Detroit Agents at Joint Meeting to Hear Hines

Detroit Assn. of Insurance Agents in a joint meeting with Greater Detroit Area Agents Assns. will be addressed by J. H. Hines, co-manager of Crum & Forster's southern department, Atlanta, April 22. Included in the Detroit area group are: Birmingham, Dearborn, Plymouth, Royal Oak, and Wayne County associations, and Insurance Women's Club of Detroit.

Perkins to New Orleans

American Surety has transferred Russell G. Perkins from superintendent of casualty to New Orleans office. He joined the company in 1947 and was named to his superintendent's post in 1950.

Van Deusen Promoted by Bonito

Alan H. Bonito & Co., Inc., New York has named John F. Van Deusen vice-president. He has been assistant secretary. He has been with the Bonito office six years in charge of the fire and automobile department.

Cotton States Raises Lassiter

L. P. Lassiter, formerly director of agencies for Cotton States Mutual of Atlanta, has been elected assistant general manager and assistant secretary. He joined the company in 1948.

J. R. Keltner Is Promoted

J. Robert Keltner, who has been with Motorists Mutual for six years serving as underwriter, fieldman and assistant automobile underwriting manager, has been promoted to company purchasing agent.

Managing General Agents to Meet

American Assn. of Managing General Agents will hold its annual meeting May 17-19 at the Chamberlain hotel, Old Point Comfort, Va.

The association's new membership directory is now in the mail.

Albert J. Hettinger, Jr., economist and partner of Lazard Freres, investment bankers, is a new director of General Reinsurance. He is also a director of Glens Falls and Lincoln National Life.

Louisville Assn. of Insurance Women will hold its annual luncheon April 26.

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N.Y. Dept. Report of NYFIRO Suggests Ways to Improve

(CONTINUED FROM PAGE 2)

ment credits in the present schedules.

Also, consider simplifying schedules by incorporating all class judgments under a single item at the end of the schedule, re-rate outstanding schedule rates upstate and suburban based on current schedules and adopt and file a reasonable uniform statewide rule pertaining to the procedure to be followed in all future schedule revisions, study and adopt a system for checking each schedule rate before it is promulgated, include all schedule interpretations in the schedule manuals wherever practical and perhaps establish an interpretation section to cover other cases as a supplement to the manual rules.

Also, file rates for such risks which are subject to judgment rates, reconsider the present advisory rate filing and establish a more reasonable method of making rates for such risks, consider adopting uniform rating treatment of U&O between New York City and upstate districts, including suburban, adopt and file a uniform rules pertaining to establishment of average rates, grant housing project credits to all risks qualifying for these credits without requiring an application, grant superior risk credits to all qualifying sprinkler leakage risks without requiring an application, and publish in manual form rates and rules for EC No. 3.

There is a rule providing broad forms for superior risks in which one standard is the meriting of a three year blanket building and contents rate of .25 or less. The report notes that under this rule the rate is the determining factor. However, the following classes have not been considered eligible for this broad form though they met the rate qualification: banks, hotels, office buildings, utilities, YMCA and YWCA, fire resistive church property, and apartment houses except public housing projects.

The principal differences between broad and ordinary forms are that under the broad form insurance amount is fixed at inception of policy which insured is required to carry to avoid becoming a coinsurer, in lieu of a co-insurance clause, that inherent explosion is covered without charge, there is no requirement as to sprinkler and watchman and clock warranties, and insured is permitted to obtain replacement coverage on machinery at an additional premium, though risks written under ordinary forms are not. Risks eligible for broad forms also qualify for reduced EC and U&O rates.

Inspection and re-rating of communities usually originate with requests from officials of a community indicating that improvements have been made in community protection. However, since there is no program of periodic reinspections, the engineering department of NYFIRO is not apprised of deterioration in community protection unless information is received from agents or companies concerned about poor fire loss experience in a community, or from information in newspapers or periodicals, or from inspections by National Board in communities with more than 25,000 population.

The examiner made a spot check of larger communities inspected and graded by National Board in five years. This indicated that no action was taken by NYFIRO to downgrade these communities. In a few cases, the files indicated that no action was taken since

the organization contemplated that the community would take necessary steps to comply with the recommendations made by National Board. In one instance, community officials had been advised continuously since 1942 to increase their fire department manpower and equipment to avoid a .01 increase in key rates. However, up to the time of the examination this community had not complied with the recommendations. No further action was taken by NYFIRO to re-rate the community. Hence the recommendation for period reinspection of communities and a definite re-rating program where inspections made by National Board or NYFIRO reflect changes in community protection.

In class C and O communities there is no periodic program of inspection and no further check to determine whether the community is maintaining the standards on which they originally qualified for such protection status. While the requirements for class C protection have changed materially since 1937, no reinspections have been made to ascertain whether such communities qualify under the new standards. Hence the recommendation for periodic reinspection for class C and O communities as respects protection status.

The report notes that in 1938, NYFIRO began reinspecting all risks in upstate rating territory. This process was interrupted by the war and the program was not completed. Risks in Albany and suburban territories have not been reinspected for 20 years unless a request was made for reinspection by a writing office or initiated by NYFIRO, or where daily reports include risks subject to specific or schedule rating and where changes in community protection classification occur. In five years the rates of many risks would be affected upon reinspection. Hence the recommendations for periodic reinspection of schedule rated risks in upstate and suburban.

Upstate there are no rules pertaining to procedure to be followed in reflecting schedule changes. The practice generally is to reflect such changes in outstanding rates only upon application made by the writing office to re-rate the risk for such changes. NYFIRO only initiates such re-rating action when it is re-rating a risk for some other reason. Some district offices have on their own initiative re-rated some occupancy classes to reflect schedule revisions.

However, since there is no periodic reinspection program upstate and suburban, a rate could remain outstanding under the superseded schedule rules indefinitely unless an application is made to re-rate a risk for such changes. Different rates could apply for similar risks depending upon whether an application had been made to reflect such changes in the outstanding schedule rates.

A considerable amount of responsibility for re-rating in these territories as a result of schedule revisions rests upon insured's representative to make an application for re-rating. However, the examiner believes the responsibility for re-rating outstanding rates as a result of schedule revisions should be assumed by NYFIRO.

The examiner recommends filing of rates on miscellaneous fire risks presently judgment rated. These risks principally are machinery in yards, railroad and bus stations, snowfences, dams, dynamite and powder storage.

Risks of such a degree of hazard as to preclude application of uniform schedules are subjected to an 8% flat rate. These are principally risks in dilapidated condition or with extremely hazardous conditions not contemplated by the schedules. The examiner suggests that NYFIRO reconsider this rate and submit a more reasonable method of establishing rates for these risks.

Joins Continental in Seattle

Clinton Coleman has left Swett & Crawford to become special agent for the newly-established fire department of Continental Casualty at Seattle.

Richard Kelly, Houston manager of American Indemnity, was guest speaker at the Insurance Women of Galveston's April meeting. Mrs. Rose June-mann and Miss Jewel Lalsevich of the Blum agency there were in charge of the program.

NYFIRO Replies: Time and Cost Must Be Considered

(CONTINUED FROM PAGE 2)

but points out that the filing of this rate was made with and accepted by the department after criticism had been made in a previous examination report of NYFIRO's former method of handling such risks.

The differences noted by the examiner in consequential coverages have existed for many years and have been reviewed on several occasions at the request of the department. They are due primarily to the fact that in New York City U&O risks are predominately multiple-occupancy under the best grade of fire protection where a percentage of the contents rate seems to be a more proper measurement of the hazard than a percentage of the building rate. Also in New York City the period of restoration of the business structure would depend upon the nature of the business. There may be a dozen different periods, each applicable to a different section of the same building. The differences are believed to be reasonable and the organization has no record of any complaints or dissatisfaction with them among buyers or within the business.

NYFIRO indicates that it will comply with the recommendation on miscellaneous fire rates, on average rates, and sprinkler leakage rating. It is now complying with the recommendation on housing projects.

National Bureau Elects 7

National Bureau has elected these seven companies as members: Atlantic Fire, Central States Fire, Connecticut Fire, Equitable F. & M., Great Eastern Fire, Minneapolis F. & M., and Phoenix of Hartford. This brings the bureau's membership to 160.

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ASSETS

Bonds	\$ 8,469,071.89
Stocks	1,914,804.74
Cash in Banks and Offices	1,038,632.41
Agents' Balances (Not over 90 days)	1,211,036.91
F.H.A. Mortgages	37,815.46
Home Office	93,155.06
Accrued Interest and Miscellaneous Funds	221,792.55
Total Admitted Assets	\$12,986,309.02

RESERVES AND SURPLUS

Claims Reserve	\$ 5,177,657.34
Unearned Premiums	4,259,053.68
Commissions	40,000.00
Tax Reserves	268,331.36
Miscellaneous Reserves	352,769.42
Voluntary Reserve	\$ 388,497.22
Capital	1,000,000.00
Surplus	1,500,000.00
Surplus to Policyholders	2,888,497.22
Total Liabilities	\$12,986,309.02

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Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

\$700,000 Loss on 14 Boats in Houston Harbor

Thirteen cabin cruisers and one tug burned in the La Porte, Texas, yacht basin Sunday afternoon. Fire started from explosion on the Gretchen B, a 40-foot Chris-Craft, demolishing a shed and boats. Estimate of damage now looks like \$700,000. Marine Office of America seems to be the heaviest insurer, with a total of about \$150,000. La Porte is a resort and fishing town south of Houston. There were 16 boats in the shed but two were piloted to safety. One boat demolished was National Bankers Life of Dallas' "Mary Ruth". Scripps-Howard papers headlined sabotage, but Marine Office said they couldn't find any evidence of it.

Caudill to Retire, McDermott Successor

Watson H. Caudill, assistant vice-president in charge of the fidelity and surety operations of Fire Association, is retiring April 30 and moving to his new home in Winter Park, Fla. He is being honored at a luncheon at the Drug & Chemical Club in New York by his friends in the surety business. Among those attending from out of town will be W. Stanley Kite, vice-president, and Joseph H. McDermott, assistant secretary of Indemnity of North America. Mr. Caudill will be honored at a luncheon by officers of Fire Association and his associates in its bonding department in Philadelphia April 26.

Mr. McDermott, who has been Mr. Caudill's assistant for many years, will be elected secretary and will succeed Mr. Caudill as head of the fidelity and surety department.

Des Moines Wins National Surety Shield

Des Moines has won the National Surety shield, awarded by the company annually to the office judged best in production and on loss, expense and premium ratios. Announcement was made by a five-way telephone hookup prior to presentation of the award by President Ellis H. Carson at Des Moines. St. Louis won second place.

National Union Stock 99% Subscribed

The offering to stockholders of 200,000 shares of National Union Fire stock resulted in subscriptions for 198,710 shares, or more than 99%. Stockholders were issued rights to purchase one new share for each two held at a price of \$30. Underwriters headed by First Boston Corp. will offer unsubscribed shares at the market price.

To Try for Compulsory Again

Gov. Dewey of New York in a TV appearance this week in which he reviewed legislative accomplishments this year said that while compulsory auto lost, his administration will try again to get it through.

Heard to American Equity

Ralph Heard, who has been vice-president of Tri-State of Tulsa and formerly was secretary of Oklahoma Insurance Board and vice-president and director of Midwestern Ins. Co., has been named vice-president of American Equity at Miami. He will specialize in agency development and production.

Washington Okays Empiro, Output Policy

Commissioner Sullivan of Washington, after a hearing, has ordered that Multiple Peril Insurance Rating Org. be licensed as a rating organization for the manufacturers output policy in that state and has authorized the use there of the output contract subject to the requirement that the fire peril be written on the New York standard form of fire policy at rates promulgated by Washington Surveying & Rating Bureau.

The state rating bureau appeared in opposition to the Empiro filing. Northwestern Mutual Fire also appeared at the hearing. In his opinion, Mr. Sullivan said all witnesses including those in opposition to the policy recognized the advantages of the output, that it would serve a useful purpose to the restricted type of insured who would qualify. He mentioned the overall coverage of the policy, its non-expiration date, ability of insured to look to one insurer for coverage of practically all hazards of physical damage, elimination of gaps in coverage and possible overlaps as advantages.

The hearing was asked on the ground that under Washington law members or subscribers of a rating organization can only delegate rate and filing authority to one bureau, and because the output policy had not been approved by the department.

Cuts Rates 10% for Accident Free Ore. Drivers

Farmers Exchange is reducing rates on all auto coverages 10% for Oregon drivers with at least one-year accident free records. The company has 72,000 auto policyholders in Oregon, and it is estimated about 65,000 of these would qualify for the lower rates.

Agent Charged With Embezzlement

Mrs. Maybelle Hiscock, Union Mutual Life agent at Portland, Me., has been arrested and charged with converting \$6,000 to her use. This was on the sale of one policy. However, another \$45,000 or more may be involved. It is understood that Maine Bonding is on the Union Mutual Bond.

A Portland man purchased a policy for \$16,000 and wrote a check for \$6,000 which he gave to Mrs. Hiscock. When a relative checked on why he had not received the policy, the company could not find a record of the policy.

History Given of Events in Ark. Legislative Probe

(CONTINUED FROM PAGE 5)
derwriting profit for the period 1948 through 1952. This was an "excess profit" of 10.14 points over the 5% allowed under Arkansas law, and Mr. Combs predicted there would be a substantial reduction in fire rates. He suggested any new application for an adjustment of wind and hail rates should be accompanied by a proposal to reduce fire rates according to the 1953 underwriting compilation.

All these developments took about two months, and made headlines.

Near the end of 1953, the bureau made a new filing substantially reducing dwelling rates and reducing mercantiles 20%. It was accompanied by another filing for a mandatory \$50 deductible on wind and hail similar to the first one, the bureau intending apparently to be in the position to make a record in the courts on an appeal from the department if the mandatory were denied again. The deductible issue hit the newspaper headlines again during the mid-year meeting of the Arkansas agents, and the papers reported the agents and the companies were in favor of an optional deductible plan. Three days after this appeared, spokesmen for the bureau said the companies might go to court to get a mandatory clause accepted. It was known by the bureau people that Mr. Combs would not approve the mandatory deductible.

On Dec. 12, 1953, the commissioner approved the fire rate reductions, but in a companion order turned down the deductible filing, pointing out that he had done so once in 1950 and again in June of 1953. Even though the companies had lost \$3½ million on EC for the 10 year period 1943-1952, the commissioner said at the same time they had earned an excess underwriting profit of \$6,891,830 on the fire end of the policy, which in effect more than offset the EC losses.

This put the companies in the position of having drastic fire rate reductions on their largest classes—dwellings and mercantiles—with no offsetting increase in EC rates. The agents faced the prospect of wholesale cancellations and rewriting on a short rate basis to take advantage of the new reduced fire rates while keeping present EC rates without any kind of a deductible for another five years, since nearly all dwelling, farm and mercantile business is written for term in Arkansas either under the installment or annual renewal plan.

Then the bureau withdrew its mandatory deductible filing and put in an increase for EC rates of approximately 25% on all classes except fire resistive, together with an optional deduction plan at rates reduced from previous ones. For example, dwellings were increased from 34¢ to 43¢ for full coverage EC, while the rate for the \$50 deductible was 31¢. Under the original optional filing of July, 1953, full coverage on dwellings was 42½¢ plus a \$10 flat charge, while the \$50 deductible was 34¢.

Senator Cloer jumped back into the picture, and in February of this year he got the legislative council to vote an investigation of fire insurance rate making and company profits. He made a blistering speech accusing the companies of taking excess profits beyond what is allowed them by law and charged the rating bureau with responsibility for the high rates and as

being under the control of "big foreign insurance companies." The council also went along with his request for an investigation of workmen's compensation rates and A&H insurance companies and their practices.

The legislative council is an official arm of the Arkansas legislature, composed of senators and representatives and acts as an interim research and inquiry body. It is now preparing recommended legislation for the 1955 assembly.

The annual meeting of Arkansas Inspection & Rating Bureau is being held this week at Little Rock.

National Board Is Not Concerned in Philadelphia

The city manager of Philadelphia has eliminated the National Board from his charges that the city had not been restored to class 2 status and that he had asked repeatedly for specific examples of inadequacy in the city's fire fighting facilities without getting them.

He said he has been dealing with Middle Department Assn. of Fire Underwriters and had no correspondence with the National Board.

Robert F. Goodhue, chief engineer of Middle Department, said he and representatives of the National Board checked the city in January and gave the city a detailed analysis of improvements that needed to be made. This, it was indicated, is on the desk of the City Manager Robert K. Sawyer. The Middle Department stated that Philadelphia fire fighting equipment has been improving but it still doesn't belong in class 2, also that when the city is ready to do so, all concerned can sit down at the conference table and settle the problem. The city was dropped from class 2 to 4 in 1949.

Citizens General Agent to Face Five Theft Charges

Gorham S. Miller, head of Miller & Associates, managers of Citizens General of Los Angeles, which is now in the hands of Commissioner Maloney as liquidator, has been held for trial on grand theft charges and will be arraigned April 27 in superior court at Los Angeles. He was originally charged with 12 counts of grand theft, and in a preliminary hearing he was held over on five counts. The court ordered counts 6 to 12 dismissed, and then directed that a new count number 6 be set up. The district attorney also was directed to prepare a new count number 7, which will include two checks totaling \$1,150 relating to payment of a contested claim.

Cincinnati Board Golf Activities Start May 18

CINCINNATI—Insurance Golf Club of Cincinnati, which includes agents and field men and which operates under the auspices of Cincinnati Underwriters Assn., will open its 48th season May 18 at Losantville Country Club. D. A. Streit, Walter P. Dolle & Co., is chairman of the golf committee and Frederick Rauh, past president Cincinnati board, will be chairman of the day.

Other dates and places are tentatively scheduled: June 10, Hyde Park; July 26, Cloverbrook; Aug. 10, Maketewah; Sept. 21, Kenwood, and Oct. 16, Western Hills.

New Fla. Adjusting Firm

J. J. Bickford and Edwin Van Dusen, who for several years have been with Phoenix of London group at Detroit, have opened an independent adjusting office at 409 Broward boulevard, Fort Lauderdale, Fla., to service the east coast of Florida from West Palm Beach to Miami for all fire and casualty lines. The new firm is entitled Bickford-Van Dusen Co.

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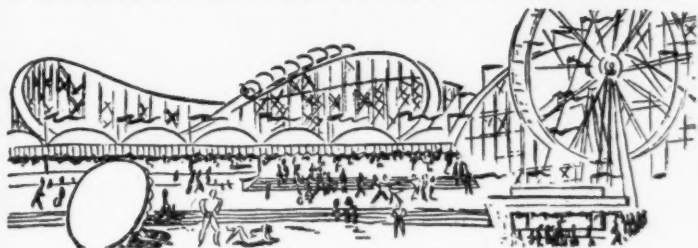
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LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 5,912,197.98	Reserve for Losses	\$ 16,723,394.59
Mortgage Loans on Real Estate	995,304.57	Reserve for Unearned Premiums	57,852,314.71
*Bonds and Stocks	116,551,150.52	Reserve for Taxes and Expenses	4,108,133.00
Interest due and accrued	146,025.98	Reserve for other Liabilities	6,385,449.65
Premiums not over 90 days due	5,116,346.70	Capital	11,575,000.00
Real Estate	3,341,000.00	Net Surplus	45,465,365.58
All other Assets	10,047,631.78		
Total admitted Assets	\$142,109,657.53	Total	\$142,109,657.53

SURPLUS TO POLICYHOLDERS \$57,040,365.58

Securities carried at \$3,094,994.84 in the above statement are deposited as required by law.

GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 675,016.05	Reserve for Losses	\$ 1,747,220.33
Mortgage Loans on Real Estate	2,398.55	Reserve for Unearned Premiums	6,427,869.68
*Bonds and Stocks	10,936,351.46	Reserve for Taxes and Expenses	459,593.00
Interest due and accrued	35,716.80	Reserve for other Liabilities	99,051.56
Premiums not over 90 days due	1,636,387.84	Capital	1,000,000.00
Real Estate	170,000.00	Net Surplus	3,802,558.78
All other Assets	80,422.65		
Total admitted Assets	\$13,536,293.35	Total	\$13,536,293.35

SURPLUS TO POLICYHOLDERS \$4,802,558.78

Securities carried at \$769,147.96 in the above statement are deposited as required by law.

NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 749,147.45	Reserve for Losses	\$ 1,747,220.33
*Bonds and Stocks	10,865,004.08	Reserve for Unearned Premiums	6,044,271.68
Interest due and accrued	34,486.89	Reserve for Taxes and Expenses	458,393.00
Premiums not over 90 days due	1,658,891.85	Reserve for other Liabilities	61,551.67
Real Estate	75,000.00	Capital	1,000,000.00
All other Assets	95,235.45	Net Surplus	4,166,329.04
Total admitted Assets	\$13,477,765.72	Total	\$13,477,765.72

SURPLUS TO POLICYHOLDERS \$5,166,329.04

Securities carried at \$1,714,939.27 in the above statement are deposited as required by law.

MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 1,323,464.85	Reserve for Losses	\$ 4,742,455.18
Mortgage Loans on Real Estate	365,927.41	Reserve for Unearned Premiums	16,405,880.27
*Bonds and Stocks	30,253,368.57	Reserve for Taxes and Expenses	1,263,131.00
Interest due and accrued	68,148.84	Reserve for other Liabilities	24,341.29
Premiums not over 90 days due	2,806,477.72	Capital	3,000,000.00
All other Assets	209,099.66	Net Surplus	9,590,679.31
Total admitted Assets	\$35,026,487.05	Total	\$35,026,487.05

SURPLUS TO POLICYHOLDERS \$12,590,679.31

Securities carried at \$2,616,996.36 in the above statement are deposited as required by law.

ROYAL GENERAL INSURANCE COMPANY OF CANADA

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 32,782.26	Reserve for Taxes and Expenses	\$ 1,270.17
Bonds and Stocks	393,120.34	Capital	100,000.00
Interest due and accrued	3,510.00	Net Surplus	357,405.24
Premiums not over 90 days due	17,262.81		
All other Assets	12,000.00		
Total admitted Assets	\$458,675.41	Total	\$458,675.41

SURPLUS TO POLICYHOLDERS \$457,405.24

Securities carried at \$55,600.15 in the above statement are deposited as required by law.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 2,727,709.52	Reserve for Losses	\$17,267,043.00
Mortgage Loans on Real Estate	58,827.13	Reserve for Unearned Premiums	12,541,373.93
*Bonds and Stocks	35,814,363.79	Reserve for Taxes and Expenses	3,048,186.22
Interest due and accrued	104,544.19	Reserve for other Liabilities	460,813.73
Premiums not over 90 days due	3,145,227.05	Capital	1,500,000.00
All other Assets	584,756.36	Net Surplus	7,618,011.16
Total admitted Assets	\$42,435,428.04	Total	\$42,435,428.04

SURPLUS TO POLICYHOLDERS \$9,118,011.16

Securities carried at \$4,241,375.40 in the above statement are deposited as required by law.

COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash	\$ 2,264,188.01	Reserve for Losses	\$20,702,575.00
Mortgage Loans on Real Estate	481,408.74	Reserve for Unearned Premiums	14,097,900.49
*Bonds and Stocks	42,081,155.04	Reserve for Taxes and Expenses	2,776,597.41
Interest due and accrued	98,969.31	Reserve for other Liabilities	844,774.37
Premiums not over 90 days due	3,163,109.50	Capital	2,000,000.00
All other Assets	481,861.81	Net Surplus	8,148,845.14
Total admitted Assets	\$48,570,692.41	Total	\$48,570,692.41

SURPLUS TO POLICYHOLDERS \$10,148,845.14

Securities carried at \$1,504,929.02 in the above statement are deposited as required by law.

*Valuations on basis prescribed by National Association of Insurance Commissioners.

HOME OFFICE

10 PARK PLACE, NEWARK 1, NEW JERSEY

Foreign Department

102 Maiden Lane, New York 5, New York

Western Department

120 So. LaSalle St., Chicago 3, Illinois

Southwestern Department

912 Commerce St., Dallas 22, Texas

Pacific Department

220 Bush St., San Francisco 6, Calif.

Canadian Departments

800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.